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NEWS SUMMARY

GENERAL

Jueen Juliana \$40; abdicate

Queen Juliana of the Nether-lands is to step down from the throne to be succeeded by ber eldest danghter Beatrix. 42. The Queen, 70, made her announce-ment in a special radin and televisiun hroadcast.

The announcement was widely expected on her 70th hirthday in April, despite a statement from Premier Andries van Agt that she would not step down. Since the Lockheed pay-off scandal in 1975, which involved her hushand Prince Bernhard, abdication rumours had been rife. But at that time there was considerable pressure from the Socialist Government and the Dutch people for her to remain on the throne.

Phone tap pledge

The Prime Minister and Home Secretary William Whitelaw assurances in the Commons that no unauthorised telephone tapping was being carried out by security services or the police following allegations of illegal surveillance in the New Statesman magazine. Back Page: Parliament, Page 12

Nkomo backing

Former Rhodesian Premier Ian Smith publicly supported Patriotic Front leader Joshua Nkomo and turned against his rival Robert Mugabe in a move aimed at paving the way to a moderate coalition government. Back Page

Military aid

French military aircraft and helicopters were sent to Tunisia to help the army restore control over the town of Gafsa after last weekend's siege in which 41 people dled. Page 2

Heart transplant

Britain's second heart transplant this week was carried out on Rooald Marney, 50, a Yorkshire engineer. He was sald to be well after the operation at Harefield Hospital, Hillingdon,

emer mede

Convicted killer James Boyle, 35, was allowed briefly out uf Barlinnie Prison. Glasgow, where he is serving a minimum 15-year life sentence, to marry psychlatrist Dr. Sarah Trevelyan, daughter of former film ecusor John Trevelyan.

Oil tanker probe

Police are investigating UK aspects of the sinking of the oil tanker Salem off the West African coast and the disappearance of its oil cargo valued at \$56.3m (£24.9m). Page 7

Jury row reply

Controversy over Judge Alan King-Hamilton's criticism of the inry at the recent Old Bailey anarchist trial should he allowed to "die down," Lord Chancellor Lord Hailsham told tour jurors who protested.

Checs away

for a van-load of more than 9,000 Easter eggs, value £3,100, stolen from a warehouse.

Briefly . . . Twn bombs exploded in a Belfast furniture store. No one

was hurt. Chausel ferry set crossing record from Dover to Calais of 53 minutes 49 seconds. Ronald Knight, 45, hushand of actress Barbara Windsor, was granted £200,000 bail on murder and arson charges. Five men died and 21 were missing after two ships sank off Page 20

Long-range weather forecast for February predicts very cold spells and widespread snow. Forecast, Back Page

BUSINESS

Gold off **Equities** slip 4.3

GOLD fell \$40 ln Londun in quiet trading to close at \$650, wiping out yesterday's gains.



South African GOLD chares fullowed the fall in the buillon price and the Guld Mines index closed 20.6 down at 329.9.

• STERLING remained firm. clusing at \$2.2670, a rise of 50 puints. Its trade weighted index was 71.8 (71.7). DOLLAR improved to close at DM1.7440 (DML7370). Its Index was 85.1

• EQUITIES fell back after early gains, the FT 30-share index closing 4.3 down at 453.3. O GILTS fell as shorts came under pressure from a credit shortage. The Government Securities index clused 0.42 dnwn at 67.27.

• WALL STREET was up 1.20 at \$83.11 just befure the close.

@ PRESENT Government policy has little chance of reducing inflation or promoting growth in the next five years, the Economist Intelligence Unit says

• CUSTOMS and Excise staff shortages may lead to a reduction in some operations, according to the department's aunual report. Page 8

O AGRICULTURE Minister Peter Walker announced plans to cut £34m from the annual cost of capital grants to farme hy 1983-84 Page 29

 BP is reported to be planning to 90,000 manual workers. to build a methanol plant in Hull with a production capacity of up to 750,000 tonnes. Page

• OIL PRICE rises planned by Algeria and Indonesia may prompt a new wave of increases by other producing countries.

• JAPANESE machine tool manufacturer, Yamazaki, is to ste up a sales company in Worcester, which could later become its European manufac-turing base. Page 6

• BMW, the West German car manufacturer, reports export sales for 1979 np hy 11 per cent to DM3.15hn (£801m) and domestic sales up hy 9.3 per cent to DM3.4bn (£865m).

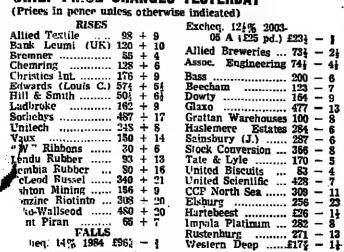
Manchester police are searching KLM, the royal Dutch airline, reports third-quarter net losses up to Fl 11.9m (£2.74m) from Fl 9.8m (£2.26m). Alitalia, Italy's national airline, will report a loss for 1979 compared with profits the previous two years. Page 25

OUAKER OATS, the hreakfast food producer, increased second-half profits hy 15 per cent to \$20.7m (£9.15m), Page 24

PAINTMAKING group, Blundell-Permonglaze, reports an increase in pre-tax profits to October from \$1.78m to \$2.19m.

• FIRST-HALF loss of Reardon Smith, the shipping line, was cut from £1.77m to £1.01m. Page

CHIEF PRICE CHANGES YESTERDAY



Anti-dumping suits by U.S. steelmakers 'ready next week'

BY IAN HARGREAVES IN WASHINGTON

U.S. steelmakers will be ready next week to go ahead with anti-dumping suits against seven European countries. But they will hold back if the U.S. government agrees to major fiscal and trade measures to improve sagging profits.

Japan came in a major report by the industry on its outlook days, for the 1980s.

The paper, published by the American Iron and Steel Institute, says the industry needs Government help to stimulate its profitsbility in order to launch a \$70hn. (£31bn.) capital investment programme in the next 10 years. If the Government refuses to help hy blocking steel the industry claims is dumped and improving the industry's tax position, U.S. steelmakers forecast the loss of 90,000 jobs in the decade as the U.S. market succumbs to an "invasion" by foreign steel, which, the report says, could take up to 40 per cent of sales in the U.S. by

The anti-dumping suits are known to have been in preparation for some time by U.S. Steel, the industry's largest travels to European week reported the largest February 18. quarterly loss in U.S. corporate istory — \$561.7m.

Mr. David Roderick, chairman of U.S. Steel, said yesterday that anti-dumping suits against the The industry's demands on the U.S. short of steel capacity UK, West Germany, France, trade protection centre on in the 1980s and vulnerable to Italy, Belgium, Luxembourg and strengthening the trigger-price prices dictated by foreigners

would be completed within 60

Success of new U.S. steel . strategy hinges un State backing, Page 3

preparations for suits. Inland Steel says it will simply revive suits which lapsed under Administration pressure

Although Mr. Roderick said the industry had not given the Administration any deadline by which it must respond to the report'a proposals, he and his colleagues are clearly attempting to influence the negotiating position of the U.S. Government when its special trade representative, Mr.: Reuhin Askew, travels to Europe for talks with the European Commission on

It is difficult to see how the Administration can respond quickly to what is a very complex series of proposals.

News that documentation is the Netherlands, would be mechanism — which the U.S. lmost complete for what would ready for submission to the government uses to set minimum he the higgest assault on alleged U.S. department of commerce prices on foreign steel — by steel dumping from Europe and next week. Suits against Japan making new rules to control European imports.

days.

The heads of other steel companies, notably Bethlehem and in draft form which seeks radicpanies, notably Bethlehem and the seeks radicpanies and the seeks radicpanies and the seeks radicpanies and the s of U.S. industry in order to reduce corporate taxes and stimulate capital investment. The Administration has so far dis-missed the plan as too costly.

> In addition, the steelmakers want relief from some Federal anti-pollution regulations and help with devising a coal-based approach to future energy needs. The industry also wants the government to abandon interference in its pricing decisions

> Only with this assistance, the report says, can the industry more than double its capital spending to \$7bn a year-a level It says is necessary for the U.S. to recover its competitive position in the world steel industry.

There is great concern at the speed with which steel com-panies are diversifying into more rewarding sectors, a trend which the report says will leave

Unions meet **BSC** about

Master of the Rulls, and two

other judges against involving men working for private com-

The Court of Appeal refused

the union leave to take the case to the Lords. The 16 private steel companies which initiated the action did not

challenge the appeal application

joined the strike on Sunday, but

most have returned to work

after an ISTC executive instruc-

tion to comply with the Appeal Court decision. Mr. Sirs said

The Metal Box lay-offs, some of the first outside the steel

industry because of the strike,

Neath West Glamorgan,

Metal Box supplies 70 per cent of cans used in the British

food market but the Food

Manufacturers' Association says

there are enough supplies to maintain present levels of

tinned food stocks for about a

negotiate separately but have, says the union, been made the

increase further its aid offer

or security commitment to the

country.

In New Delhi, Mr. Clark
Clifford, President Carter's

. In Brussels, Mr. Roy Jenkins,

The Transport and General

month.

Soviet warning to Zia

THE SOVIET UNION yesterday aggression but is reluctant to

an undeclared war" against special envoy, emerged from

Afghanistan. meeting with Mrs. Indira The warning in Pravda, the Gandhi, the Indian Prime

Adviser.

President of the European Com-Mr. Brzezinski is expected to mission, said that the Soviet

Communist Party newspaper, Minister, saying that a Soviet coincided with the start of a push towards the Gulf from

visit to Pakistan by Mr. Afghanistan would Zbigniew Brzezinski, President war with the U.S.

steelworkers

panies in the strike.

BY ALAN PIKE, LABOUR CORRESPONDENT

LEADERS OF the two main Williams, QC, for the ISTC, to unions involved in the month-long national steel strike met the decision in the Court of British Steel Corporation Appeal by Lord Denning. unions involved in the month-long national steel strike met: British Steel Corporation representatives last night to see whether they could establish enough common ground to resume pay negotiations. The new talks come as Metal Box said that the steel strike would force it to lay off about 1,000 workers from Monday.

The exploratory talks between BSC the Iron and Steel Trades Confederation nad the National Union of Blast-

Politics Today, Page 19 Metal Box to lay off workmen.
Page 11
TUC warns Ministers, Back Page

furnzcemen were taking place on undisclosed neutral ground.

BSC has-already agreed the
basis of its proposed productivity schemes with craft
unious. The ISTC and Blastfurnacemen agreed to meet the corporation after the intervention of Mr. Len Murray, TUC

general secretary.
Mr. Bill Sirs, ISTC general secretary, has stressed re-peatedly that there has to be sufficient money on the table before he recalls his union's negotiating committee for for-mal talks with BSC.

Yesterday's development came after the House of Lords appeal committee granted the ISTC leave to appeal against last week's Court of Appeal decision that the union could not draw members working for on that the union could not the transport and General will be heard this (Chemicals) in Yorkshire, who private steel companies into the

morning, though the Law Lords do not usually sit on Fridays. The appeal committee did not same pay offer as the steel-require Mr. John Melville workers

BY OUR FOREIGN STAFF

issued a veiled warning to Pakistan that it will be in

danger unless it forbade the

ose of its territory by "tens of thousands of mercenaries" in

Carter's National Security

Afghanistan.

Adviser.

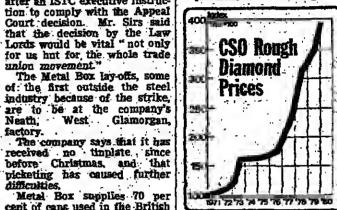
Price rise for large rough diamonds

By Kenneth Murston, Mining

PRICES of large rough dia-monds are in rise sharply from February 18. In some

from February 18. In some cases the increases could amount to 49 per cent. The rises will apply to stones weighing more than one carat—roughly 5 per cent of the market by volume, but many times more in terms of value—marketed by the Central Selling Organisation on behalf of De Beers and other producers.

producers.
The organisation's sales are about 85 per cent of world production. The increases are equivalent to an average 12



per cent rise for all rough Prices were last raised in September, by an average 13 per cent, and in August 1978

by 30 per cent. Most retail prices for polished jewellery should not be affected by the intest increases. There is already a surplus of small diamonds of the sort used predominantly in jewellery.

Prices for small gems have asset over the past six

eased over the past six months. The jewellery trade is mure concerned at the rising price of gold.

The increases for large stones will vary according to their quality and size. Some of the largest rough diamunds could rise in price

by anything up to 40 per cent. Demand remains good for the larger stones of good quality and colour, which tend to be bought as a store of value in much the same way as bullion has been sought as Continued on Back Page

Mining News, Page 22

| £ ta Ne | w York | |
|-------------------------|---|---|
| | Jan. 80 | Previous |
| Spot 1 mth 3 mths | 52,2625.2636; 1,05-1,00 dis 2,04-1,99 dis | 53,2640-2660 0,56-0,63 dis 1,71-1,56 dis 3,55-3,40 dis |

Edwardes warns unions on eve of ballot

BY JOHN GRIFFITHS

SIR MICHAEL EDWARDES, chairman and chief executive of BL, last night issued a strong warning that rejection of the company's pay and conditions offer would mean the end of BL in its present form and "a further massive loss of johs." He was speaking on the ever of make more profit if we keep the unions to "abandon years the distribution of hallot papers back money. under a self-financing

productivity scheme. But the 92-page document setting out its terms also requires further

upon being accepted in full.

BL has offered a 5 per cent lng at a profit. We're marginal flexibility and to be able to pay increase with the opport as a company and we cannot measure efficiency to bring tunity to earn up to £15 a week deliver our plan if we give productivity close to Japanese away more in wages than is earned."

major changes in work prac-would give the unions a man-be announced on February 12. tices. These would end the dae to strike. If they did, said Sir Michael sai dihe company power of shop stewards to con- Sir Michael, the company would would consider the unious bad trol the pace of work and mannot be able to undertake the received a mandate for action
ning levels. The unions have
issued pamphlets to all BL's received £300m in further govworkers urging rejection of the
package, which is conditional withdraw the entire plan, its

The description of the comporate plan for which it has only if 51 per cent or more of
the total work force hacked the
Continued on Back Page
Editorial Comment, Page 18

structure would he reviewed Sir Michael, speaking in a and inevitably there would be recorded BBC television inter- heavy additional job losses view due to go out last night, above the 25,000 already being acknowledged that BL was "asking a lot." But, he warned, "there is no more cash. This Sir Michael acknowledged

question of saying we'll that it would not be easy for of shop floor cootrol." However "The fact is we're not operat- It was essential to have greater measure efficiency to bring productivity close to Japanese and West German standards.

The result of the hallot, being about the possibility of Soviet Afghanistan invasion.

The ballot boiled down to the conducted by the Electoral workforce being asked if they Reform Society, is expected to

Vaux to sell Scottish outlets

BY JOHN MAKINSON

VAUX, the Sunderland-hased The group therefore decided to in Scotland and has relied on hrewer, is selling its Scottish close its brewery but first the free trade to compete with tied estate to Ind Coope, the approached Ind Coope to see the major brewers in the

placed with institutions hy Cazenove yesterday at 71%p. have been lost if his group
The Allied share price dropped carried out rationalisation.
21p to 73*p over the day, while The proceeds of the Vaux finished 14p higher at

Vaux's Scottish subsidiary, Lorimer's, has been losing market share continuously, and profits before interest dropped from £1.7m in 1976-77 to £1.2m shie spare capacity. Until now, in the year to last September. the group has had only 40 pubs

Allied is paying £20.9m for 214 if a deal could be struck. country, Bass Charrington and public houses, a hotel and a The Lorimer's hrewery, at St. Scottish and Newcastle. restaurant.

Payment has been made through the issue of 29.65m Allied shares, which were Nicholson, chairman of Vaux, any changes in the net asset

> The proceeds of the sale refer the deal to the Monopolles would enable a "thank you" Commission. normal compensation. sale proceeds in its North of Alkied will serve the new England activities and will soon outlets in part from its Alloa repay short term borrowings

payment to staff, in addition to hrewery, which has consider- and strengthen liquidity:

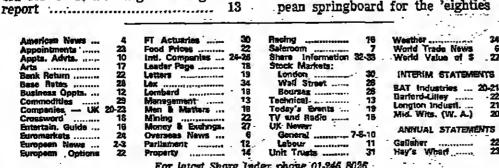
said that up to 370 jobs might value up to completion. The have been lost if his group had sale will go through if the

Vaux said it will reinvest the

Lex, Back Page

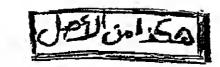
Chemicals: companies turn to down-Politics today: Denning's law and the steel workers 19 U.S. steel industry: success of new. strategy hinges on State backing ... 3 Energy review: the new U.S. oil tax. 4 Management: Marsh and McLennan's bid for C. T. Bowring—a background Property: City brokers go into the invest-Around Britain: the Orkneys-the

islanders get their oil bonus 16 Lombard: window-dressing at the IBA. Editorial comment: BL . Cars crucial vote; Euro market controls 18 Enasa-International Harvester: European springboard for the 'eighties 25



Flying Concorde is something. Flying Air France Concorde is something else.





Bonn confident of meeting oil import target

BY OUR BONN STAFF

itself for 1980 without taking further energy-saving measures. That emerges from a policy

5 per cent cut in oil consump-tion for the year.

In December the IEA member paper prepared by the states made a more detailed Economics Ministry and put commitment for the year 1980vectore the Cabinet on 1985, agreeing not to surpass precise oet import levels for In 1979 West Germany, in crude oit and oil products ommon with most other together. will probably allow this target

WEST GERMANY believes that members of the International The West German target for it can keep within the oil import Energy Agency, failed to meet this year was set at 143m tonnes limit to which it has committed the jointly agreed target of a compared with the actual import level of 145m tonnes of 1979. The Economics Ministry estimates that the slackening of domestic growth this year, combined with an oil import and production figure last year which exceeded consumption,

The forecast does not rule out the possibility that new savings since had real economic growth measures will be introduced to a first per cent and there are 6m try to cut oil imports still more vehicles on the road. further. But the policy paper shows satisfaction at the impact of savings so far compared with

It stresses that the total contotalled 36.7m tonnes, an sumption of mineral oil last increase of 10.4 per cent on the year was only just above that of figure at the end of 1978 and the previous record year, 1973, sufficient for 120 days supply.

The paper also reports that at the end of last year West German mineral oil stocks

Taking a new look at monetary policy

WEST GERMANY'S emergence other raw materials.
as a current account deficit West German exports in real as a current account deficit country is forcing a reassessmonetary authorities of policy priorities at home and abroad. The long-standing West German fear of a growing role for the Deutsche Mark as a reserve asset is gradually giving way to concern about how the atrength of the currency can be

It is agreed that the current account performance is not the only factor determining the level of the Deutsche Mark. The domestic inflation rate is important too. And here the performance still remains relatively good, though far from satisfactory to the West Ger-mans themselves. But large deficits, it is argued, tend at least to slow the appreciation of a currency and lay a country more open to imported inflation than it otherwise would be.

tinued deficit, bringing a vicious by payments home by foreign of 10 per cent or more. circle which is precisely the workers here—itself increased. The conclusions that monetary opposite of the situation to thus pushing the current authorities are starting to draw

been used for year:

Had the Deutsche Mark been well be that this year's wages
This has been very much the appreciating powerfully as it round will produce reasonable story of the West German cur- did in past year, then much of settlement in the circumstances rent account deficit in 1979—the the increase in import prices averaging 7 per cent or so. But first since 1965 and only the could have been offset. True, can trade unions be expected fourth in the country's history, there was temporary upward to show similar restraint next The deficit of DM 9bn (£2.3bn) pressure on the Deutsche Mark year, too, if in the meantime (which, to maintain perspective, within the European monetary inflation markedly increases? is less than 1 per cent of GNP) is due not to a West German export failure but largely to a system resolved by a 2 per cent to average 4.5 per cent this surge in imports. This has been much of the year there was a year, but some senior monetary caused, in particular, by the big tendency for the currency to officials frankly describe this as increases in the price of oil and

Spanish trains

throughout Spain were paralysed by a 24-hour national rail

strike yesterday called to press

demands for better pay and working conditions RENTE.

the state-owned railway com-

Unions called the stoppage

aftr rejecting a 10.8 per cent

pay increase. They bave demanded 16 per cent. Twelve international services were

among those cancelled.

hit by strike

MADRID - Train

volume terms rose by 7 per cent allowing for inflation rate dif-last year and importa by 9 per cent, but in value terms exports rose by 10 per cent and imports of imports naturally worked by no less than 20 per cent. The upshot was a visible trade surpushing up the average inflation plus of only DM 22.5bn rate for 1979 to 4.1 per cent, (£5.7ābn) which, in contrast to compared with 2.6 per cent in

(£5.7ābn) which, in contrast to previous years, could not make 1978. At present the monthly up for the country's traditional deficit on invisibles.

Indeed, thia deficit on series of more than 5 per cent and rise of more than 5 per cent and transfers-caused it is against this background

It is felt that the policy must be to seek actively to keep the currency strong. In a world of high interest rates this means that West German interest rates, too, must remain high to help

The increased import bill among other things by West that some trade unions have

system resolved by a 2 per cent The Government officially D-mark revaluation within the says it expects the inflation rate depreciate against those of West optimistic. The imported oil surplus dollars and relieve currency is felt to be off.

BY TERRY DODSWORTH IN PARIS

RIOT POLICE used tear gas

yesterday to break up a demon-

stration against a planned nuclear power station at

culmination of five years' local

attract foreign capital.

itself helps contribute to a con- Germans holidaying abroad and been demanding wage increases which the West Germans bave account further into the red. from this are as follows. It may Had the Deutsche Mark been well be that this year's wages

Teargas halts Breton N-protest

Plogoff's mayor, According to M. Kerloc'h 500

riot police were sent to the area

were opposed by demonstrators

antagonism to the power station who erected a barrier of burning car tyres in the middle of Germany will be held on of France's beauty spots. The upposition bas attracted the support of several councillors.

Were opposed by demonstration of Strain and Chanter of Burning and Chanter of Burning and Chanter of Sunday will be held on Sunday. The two countries' support of several councillors planned for Sunday and M, Kerpart in the discussions.

led by M. Jean-Marie Kerloc'h, loc'h said the fight against the

between

Germany's major trading part-bill this year is expected to be some of the growing pressure ners in real terms—that is, after about DM 65bn—roughly 4 per on the Deutsche Mark, allowing for inflation rate dif-cent of GNP—and the current One of the best prospects

felt, the policy must be actively a to seek to keep the curency ac strong. In a world of high interest rates this means that must remain bigb to belp attract inflows of foreign capital, turo in prospect, the Bonn Government might prefer to see interest rates coming down in substitution account. the course of the year.

There are wider implications too. For some years, West German anthorities bave watched with growing concern the rise of the Deutsche Mark as a reserve asset, arguing that U.S. Administration will not the country was ill suited to force the issue-not least assume such a role and that because Mr. Anthony Solomon. control of domestic money the official most keen on the

supply was made more difficult. substitution account idea. will On the one band, this meant pressure on the U.S. to balance another post. its payments, cut inflation and The upshot dollar, the world's key reserve currency. On the other, it meant active support for the search for a new international asset which could

central authorities would be continued whatever force they

AP reports from Paris: The

regular balf yearly meeting

Giscard d'Estaing and Chancel

erentials.

account may well be heading for seemed to lia in a new asset.

The sharp riae in the price a deficit of close to DM 20bn. denominated in Special Draw-In these circumstances, it is ing Rights to be issued through

a so-called substitution account" of the International Monetary Fund (IMF).

Virtually no one imagines West German interest rates, too, that the West German current account deficits will persist indefinitely. But at present their existence appears to be or at least to try to stop out-flows. The problem is that with undermining support for the some domestic economic down- IMF scheme. Some West German officials are continuing to work for the success of the

But others, equally influential, There is thus the prospect of feel the scheme may be still-potential—it is at present no born, and show little regret at a potential—it is at present no born, and show little regret a more than that—conflict of the prospect. They believe the priorities between the indepen-dent Bundesbank, guardian of receive approval in a formal the currency, and the Govern-sense at IMF meetings this year. but, in nractical terms, they feel that will mean little if the U.S. Congress does not give lts blessing.

They expect Congress to be unenthusiastic and that the shortly be leaving to take up

The upshot of this analysia is thus help achieve a stable that the world will be stuck with the dollar as a reserve On the other, it asset, unless the Europeans can jointly prodoce a challenger to it in the ECU. For the time being, at least, the pressure on absorb some of the world's the Deutsche Mark as a reserve

Replacement for Austria N-plant given go-ahead

By Pari Lendval in Vienna THE GO-AREAD has been given for a coal-fired power station costing Scb 7.2bn (£255m) at Duernrobr in Lower Austria, only three miles from the Zwentendorf nuclear station whose commissioning was blocked at a referendum 18 months ago.

A decision will be taken at the beginning of March whether the £300m nuclear plant should be scrapped or preserved for possible future use. Estimates for converting it into a conventional plant vary widely between Sch 2bn and Sch 5bn.

distil the wine. In 1979, the Community produced 3.7bn gallons of wine—only 65m gallons sbort of the 1973 pleted 10 months later.

The power station

coal from Poland which is to supply 1m tonnes a year. In return Austria will grant Poland a \$300m (£133m) credit line. Austrian Federal Railways will also receive a Sch 500m loan to finance the purchase of large freight waggons to transport the coal from Poland.

ZIMBABWE-RHODESIA

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INANCIAL TIMES, published

Swiss face big rise in defence spending

SWITZERLAND runs the risk

of being transformed into a battleground in a future war and should greatly increase its spending on defence dur-ing the 1980a, the Govern-ment has told Parliament.

ment has told Parliament.

In a report examining the state of the country's defences, the Federal Council saya the size of invading forces entering Switzerland in a future war would be so great that "the entire territory could become a vast hattlefold." a vast battlefield."

In addition to depending heavily on imported raw materials for its economic well-being. Switzerland is a hotbed of international espionage. The economy is especially vulnerable because more than 85 per cent of the energy requirement comes from abroad, the diplomatic and cultural miscouncil says.

Defence spending has risen by SwFr 4bn (£1.1bn) between 1975 and 1979. This repre-sents a 28 per cent increase compared with expenditure during tha previous five years.

Military spending last year accounted for SwFr 3bn of the SwFr 3.7bn total defence bndget, equivalent to about 2.per cent of the country's gross national product.

The council says that detente has deteriorated considerably because of the increasing size of arsenals in the United States and Russia and also in Enrope. The situation has been made more fragile by economic problems.

The council notes with appre-hension that the Warsaw Pact's superiority in conventional weapons over the NATO allies has increased the likelihood of the use of strategic nuclear weapons.

The report brings up to date a similar document published in 1973 and will be followed by a more detailed study in 1985, when the Government plans to make proposals to Parliament to revamp Switzerland's defences.

Switzerland has only a small regular army and relies mainly on a compulsory draft for all able-bodied citizens. The country has a large net-work of underground air-raid sbelters, including command and supply centres as well as hospitals, designed to with-stand nuclear weapons. Con-struction was begun in 1974 and enough shelters will be available for the population of 6m by the end of the 1980s.

EEC to distil part of 'wine lake'

The Common Market plans to distil up to 175m gallons of surplus wine from its near-record 1979 harvest into Industrial alcohol, the EEC Commisreports from Brussels. It has proposed spending about £57.8m

aircraft' to aid of Tunisians

BY DAVID WHITE IN PARIS

FRENCH MILITARY transport nd helicopters were reported vesterday to have been sent to Tunisia to help the Tunislan Army restorc control over the provincial town of Gaisa after last weekend'a abortive siege.
France ls believed to have
three Transall aircraft and two
Puma helicopters in Tunisia. Apart from this logistical sup-port aent unannounced, a regi-

ment of France's 11th Parachute Division was reported to have been placed on alert. Tension has shifted from the military to the diplomatic aphere, after Tunisia directly accused Lihya of backing the rebels. Tunisian representations have been provided from sions in Tuuis have been asked

to leave. M. Hedi Nouira, the Tunisia's Prime Minister, ruled out any suggestion that the Algerian authorities might bave been involved, although the attackers apparently entered Tunisia

from Algerian territory.
The Libyan Government expressed its "astonishment" over the charges made by M. Nouira. It "greatly deplored" the abarp diplomatic riposte, which stops just short of a com-

plete break in relations. Three French warships, wblch stiled in baste from Toulon earlier this week, were staying clear of Tunisian waters and were officially said to be cruis-

The rapid despatch of the warships—a missile-carrying eruiser, anti-submarine frigate, and high-speed escort vessel— was evidently aimed at demonstrating France's capacity to intervene at short notice

The sblps were originally reported to be heading for the Gulf of Gabes, the closest coasiline to Gafsa, and an area where Timisia and Libya dispute oil exploration rights. French submarines which also left Toulon on Monday were said not to be part of the manoruvre.

France bas no specific defence obligation to Tunisia, but has various co-operation agreements covering training and arms sup-plies. Relations within the former protectorate have been good since France resunted financial aid in 1968.

The transport aircraft were sent at Tunisia's request, in the same way that Transalls were sent to ship Moroccan troops and arms to Zaire in April. 1977 to quell the first Shaba rebellion. In the second rehellion, last year, Frai intervened directly.

In Gafsa, Tunisian forces ru tinued their moppine-up oper-tions. The fighting, in which the official death toll is 41, has brought to a head a series of incidenta between Tunis and Tripoll. after Tunisia's President Hahib Bourguiba refused to go through with plans for uniting the two countries, made at Djerba in 1974.

Official reserves double

BY ROBERT MAUTHNER IN PARIS

FRANCE'S OFFICIAL gold and gest in the world, after those foreign currency reserves have of West Germany and the U.S. risen by more than 100 per cent over the past two years, mainly because of the sharp rise in the price of gold.

The Bank of France's present gold stock totals 3,200 tonnes. valued at FFr 169bn , Sinc 1975, the guld reserves hav been subject to a new valuatio The country's total reserves every six months, based on the stood at FFr 217bn (£23.7bn) average price in dollars of an on January 25, against ounce of gold on the London FFr 106bn at the beginning of market during the previous 1978, and are now the third big- three months.

Call for new-technology agreements within EEC

BY JOHN WYLES IN BRUSSELS

MANAGEMENT and unlons in the EEC are urged to negotiate collective agreements covering the introduction of new computerised technology, in a document summarising the European Commission's latest thinking on the impact of micro-electronics.

Produced for member-governents and the Community's Employment Committee, the nology will need to be develdocument is optimistic about the probable social impact of the new technology,

The Commission does not including believe that computerisation between will necessarily lead to a net workers loss of jobs.

The paper sees the new technology offering opportunities for reducing both overtime and days worked. But it says the technology will create the need for Improving job satisfaction, and for measures to avoid worker alienation stemming from more impersonal produc-

tion processes. oped, and these will have to create the smoothest possible conditions for innovation. closer management in individual com-

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OLYMPIC

The National Airline of Greece

Plogoff on the Brittanny coast, to ensure that a public inquiry near Finistère.

demonstration was the lngs started yesterday the police

IF YOU NEED A LEG UP

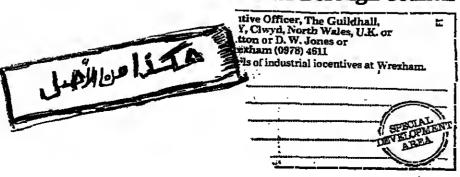
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100:000,000 in the Borough! and to broaden your horizons, start by our eyes over our colour brochure. THE CODY DOW!

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Work stoppage at Polish Baltic port of Gdansk

BY CHRISTOPHER BOBINSKI IN WARSAW

AROUND 100 employees at the workers at the Elektromontaz A member of the Elektromon Gdansk shipyard, on Poland's plant in Gdansk met on Wednes- laz Workers' Commission, Mr. Baltic coast, stopped work day to demand the withdrawal Leeb Walesa, who himself once yesterday in solidarity with Ms. by the management of dismissal worked at the shipyard and was Anna Walenloimowicz, a crane notices for 25 men at the works, one of the organisers of the driver and a member of the Gdansk Free Trade Union, whom the authorities are trying by about 170 men at the 500- are planning to dismiss over 100 to transfer to another factory outside the city.

According to members of the "KOR" human rights group the four-hour stoppage came in the pre-fabrication workshop and ended when the foremen promised that Ms. Walentoimowicz would be reinstated

The men in the department have pledged to cootinue the strike from this morning, if Ms. Walentoimowicz, has worked for the yard for 20 years. is not re-employed.

defendence of the property of

oree or open one of the second of the second

s double

strong plant was set up to fight men the dismissals which are aimed at those who took part in a are also demanding that any street meeting last December. future dismissals should be dis-

people, many of them workers. mittee elected for the purpose gathered at the Number Two and that those dismissed should gate at the Gdansk shipyard to he found work elsewhere with commemorate those who died in demonstrations against food price rises in 1970. The ceremooy was organised by, among others, the small Gdansk Free the cosl of living. The "KOR" Trade Union which was set up group bas appealed to trade in April 1978, and the sackings are evidently aimed at weeding The stoppage comes after out the union sympathisers.

Last week, a five-man 1970 strike there, was told that "workers' commission" backed the Elektromontaz management 1970 strike there, was told that

The Elektromontaz workers In December, about 4,000 cussed with a shop floor comthe same pay and privileges.

Another demand is that wages should be increased quarterly to match the rise in unions around the world to intervene on behalf of those

COMMUNISTS SEE GOVERNMENT ROLE RECEDE

Afghan issue stirs Italy's political cauldron

By Rupert Cornwell in Rome

YOU KNOW wby the Russians invaded Afghanistan? They wanted to stop us doing a deal to allow the Communists into agovernment." That remark by ya Christian Democrat politician was, of course, a joke and intended as such. But it does illustrate some basic truths about Italy and its role in the world, which have only been underlined by the latest crisis in East-West relations and the virtual collapse of detente.

One is that, as a rule, Italy does not influence international affairs but is influenced by them; in other words a "low profile," so low that many international affairs experts would wooder whether the country bad an active foreign quences of upbeavals abroad are often to he seen less to the specific field of foreign policy than in internal politics.

Whatever the strategic implications of Afghanistan, there are two overriding coocerns in a country whose politicians' eyes are turned resolutely inwards. What effect will Moscow's recent behaviour have Party, in the vanguard of what remains of Eurocommunism?'
And will international eveots prove a death blow for the belief that the party might be on the verge of implementing the "bistoric-compromise" of entry into government along-

side the Christian Democrats?
If the first question obviously cannot be fully answered yet, the reply to the second, very probably, is yes. This means that the immediate prospects for the fragile minority govern-ment of Sig Francesco Cossiga look brighter.

True, the Socialists whose grudging parliamentary support is essential for its survival, have indicated that they will press for a government in which the Communists are included. How-ever, the Christian Democrat congress is due on February 15, and the long ruling party is most unlikely to go further than emphasising the need to work with the Communists, without offering them ministerial posts. Lengthy all-party discussions will theo ensue, and few politicians want to bring down Sig. Cossiga without agreement on what should replace him.

Italy's peculiar situation—a key component of the southern flank of NATO and yet home of the West's largest and most infinential Communist party bas ensured that the country in many-ways has become a sounding board of detente. A return to a virtual Cold War clearly bas enhanced the importance of Italy's place in the Western military alliance, while sharpening doubts about the sincerity of its Communists.

The Christian Democrat-led Government in Rome has responded to President Carter's anti-Soviet exhortations with an apparent zeal exceeded only by Mrs. Margaret Thatcher, the British Prime Minister, among Washington's European allies.

WHAT THIS FREE BOOK

WILL SHOW YOU



Sig. Berlinguer: trying not to take sides.

with the U.S. was a cornerstone U.S. Sixth Fleet is based at Naples, the home of NATO's

invasion, Italy had agreed to the policy at all. Another is that upon by Sig. Cossiga at consider- affair. able political risk to his But it is plain that no U.S. administration. Since the invasion, it bas noticeably cooled economic ties with Moscow, despite the importance of the Soviet Union as a trading partner and as a supplier of almost 6 per cent of the country's crude oil requirements last year.

> The most visible move has been to stall negotiations on a planned \$1bn export credit agreement to finance Italian sales to the Soviet Union. Other steps, too, are under considera-tion, though with a cantion stemming from an understandable coocern about jeopardising trading exchaoses totalled L4,500bn (£2,47bn) in

> Italy's peculiar situation, as a key component of NATO's southern flank and yet home of the West's largest and most influential Communist party, has ensured that the country has become a sounding board of detente. A return to a virtual Cold War has enhanced the importance of Italy's place in the alliance, while sharpening doubts about the sincerity of its Communists.

> As far as other links between Italy and the Eastern bloc are concerned, Rome has been trying to move in step with its other partners (except Britain) In the EEC, of which it is presi dent for the first six months of this year. On the Olympic issue - the present touchstone of East-West relations - the Italian Government bas carefully avoided making recommeodations and has passed the question of participation in the Moscow Games to a meeting of Community's various

national Olympic associations. It is open to doubt whether. Italy, for all its good intentions, could play a particularly significant role as midwife to a joint

Why Do You Read So Slowly?

Sig. Cossiga was in Washing- EEC response to the Soviet ton swiftly, proclaiming that a Union. Apart from the weak-close and enduring friendship ness and uncertain life expertancy of any Italian Governof Italian foreign policy. It ment, no one in Rome is under could hardly be otherwise. The any illusion about the preponderant role of France and West Germany in EEC affairs today.

southern military command, Inevitably, silence surrounded while U.S. land and air forces the one thing everyone really Inevitably, silence surrounded are in the north, not far from the border with Yugoslavia. Carter-Cossiga meting: what did the Americans say ahout Communist participallon in Govern-Even before the Alghanistan ment? Apparently, Washington has not changed its disapprove siting of 108 Cruise missiles on ing stand while stressing that its territory, a decision insisted it is a purely internal italian

> election hinge on the popularity of a tough anti-Soviet stance is going to be happy to see Communists. however democratic and frieodly they appear, enter Cold War.

tionary commitment

Big rise in cost of fuel for U.S. forces

By Leslie Colitt in Berlin A STEEP price rise which more than doubles the cost

of fuel used by U.S. armed forces around the world goes into effect today. But a U.S. Defence Department official in West Germany says there will be no reduction in either operations or excreises by the U.S. army and air force commands in Europe.

The increases are expected to cost the military one of the U.S. largest coosumers of petroleum, hundreds of millions of dollars more in the remaining eight months of the corrent fiscal year. Mr. George Marienibal, deputy Assistant Secretary of

Defence for Energy who is visiting West Germany, said that if the armed forces were to restrict operations and traioing it would be "cuttlog into bone and muscle." There were no plans to reduce " flyiog honrs, salling days or

army training operations."
Aviation jet fuel JP& majoly used by the U.S. air force in Britain will rise in price from 83 cents to \$2.32 a gallon. JP4, a jet fucl used hy the air force in central Europe goes up from 55 ecots to \$1.18. Diesel oil for tanks and other heavy vehicles rises from 61 ceots to \$1.29.

A spokesman for the Comp-trollers Office of the U.S. army beadquarters in Heidelberg estimates the added cost of fuet for the army io Europe would range between 599m and \$125m in the next

Major Kevin Sullivan, management officer at Heldelberg, said the sharp fuel price were oecessary to r previous losses recover previous losses incorred by the Defence Logistics Agency and to cover current buying costs, as well as anticipated future costs. For months the army bas been paying less than the actual cost of the feel it has been consuming, be said.

The price of so called

Mogas, or petrol for army and air force cars and trucks, was originally set to rise from 59 cents a gallon to \$1.84, hnt this was readjosted to \$1.26 a Success of new strategy

Ian Hargreaves in Washington on the U.S. steel industry's plight

hinges on State backing

possessed a reputation as one of the noisiest and dissatisfied groups to American industry. Politically one of the better represented business groups in Congress, the iodustry's case for a better deal from Washington has been voiced with a vehemence which bas ehbed and finwed over the years only with profitability and the roller-coaster of the steet market.

Yet in spite of public famifiarity with this general sense of grievaoce, the steelmakers have never-as Mr. Lewis Foy, chairman of both Bethlehem Steel and the American Iron and Steel Institute, said yesterday-" ent its act together " and spelled out comprehensively its cases and its demands. Now he says that has

changed. With a 90-page report entitled "Steel at the Cross-roads" in his hand, Mr. Foy was able to claim yesterday: "We've gotteo our act together—and here's the script."

expand its raw steel capacity by ver 6 per cent in the next decade, and to spend around \$75n a year to finance expansion and nodernisation.

It says the task will be im-possible if the U.S. Government fails to come forward quickly with a package of measures. These measures, it adds. must protect American steeloren from unfairly priced especially from Europe, slimulate prefitability and thereby capital generation by a series of tax breaks, improve the industry's access to cheaper and more reliable energy sources and increase its freedom from the full weight of Federal eovironment protection laws.

If the Government refuses. the report forecasts that within a decade imports will gobble up 40 per ceot of the market Shi (against under 18 per cent oow), that 90,000 jnbs will go and that Ra the U.S. will run up a trade deficit in steel to rival its oil

The programme of action is O Imports: The industry wants

system to put a bigher minimum price of European steel imports to reflect higher European production costs (at the moment rates. figures are based on Japanese

The mechanism should also be made to reflect foreign steelmakers' home prices to prevent laws, many of which the indus-sale in the U.S. at less than try feels are needlessly domestic prices. The third striogeof. It wants a more costelectrical steels, uoder the umbrella of trigger prices.

The report also strongly orges the Government to pursue with more determination those wbo violate the rules by prosecuting and fining them. "All that is required is the political will." it says-reflecting frustration at The script's argument is that the Government's failure to take the U.S. steel industry needs to action against European or Japanese steelmakers up to now.

· Fiscal policy: The iodustry wants help to more than double direct investment in productive steel facilities to \$4.9bo a year. In total including pollution fighting expenditure, the report says \$7bn a year will be needed in the next decade, It proposes -Shortening the

U.S. STEELMAKERS have long three changes to the Govern- depreciation period for steel ment's trigger price system, equipment from 15 to between which since 1978 has set mini- three and ten years, according mum prices below which it is to the type of equipment. This illegal for foreign steelmakers would substantially reduce tax to sell into the U.S. market. In liabilities and bring the U.S. future, the report says, there closer to depreciation practices should he some kind of two-tier in other major steel countries. -More flexible and generous investment tax credits. -Lower basic corporate tax

• Environment: U.S. steel com panies have been paying around \$600m a year to meet higher Federal environment protection striogeot. It wants a more costchange would be to bring special effective approach in framing steel, such as stainless and new rulea, and aays that existing laws should be reappraised with ao emphasis oo buman bealth rather than oo such blanket provisioos as the ruling that all rivers must be capable of supporting fish life. The industry also wants special

> expectancy. Energy: Steel uses about
> per cent of U.S. energy.
> Modernisation would reduce this significantly, but the iodustry complains of too much Federal intervention in coergy calls for a new policy to encourage coal development.

exemptions from air and water

pollutioo laws for industrial

limited

1978-88, 1978-88,

life

with

plant

standard • Pricing: The report pleads for

Mr. Lewis Foy

an end to all pricing cootrols, whether mandatory or (as at present) voluntary. Controls have been irrelevant to the fight against inflation, it says, and have impeded profitability

If the Government fails to take the industry's advice, the report warns of a gloomy future. Continuation of existing trends, whereby the industry bas not built a major new plant for over a decade, would mean lapsing from an appalling 40year replacement cycle to a disastrous 50 - year - cycle. Capacity would fall by 20 per cent, imports would jump from

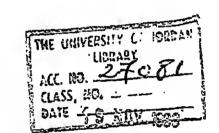
less than 20m tons to 50m tons, and 90,000 jobs would be lostall within the oext eight years. If the Government deliver the goods, this is what the industry thinks will bappen: capital spending of Sibo a year will be forthcoming; within the decade, the U.S. industry will increase shipments by 19 per cent, with much of the increase coming from more efficient con-version of liquid to semifinished steel by the installation of more cootionous easting machines twhich the U.S. cur-rently uses for 15 per cent of steel production compared with

46 per cent in Japan). In addition there would be some new capacity, obsulete opeo bearth steelmaking equipment (still representing 15 per cent of U.S. output) would be eliminated and balf the lndustry's coking facilities would be recewed. Labour productivity would rise by 20 per cent, and asset replacement he on a 25 year cycle. Profits would once again be adequate to fund the industry's future.

THE WAY AHEAD

| | 1978 | govern- ment betp | |
|---|---------|----------------------|---------|
| annal capital spending | \$2bn | *\$4.9bn | \$2bu |
| S. stee! coosumption (tons) | 117m | 134m | 134m |
| S. stecl sbiomeots (tons) | 98m | 117m | 85m |
| iports (tons) | 21m | 20m | 50m |
| morts (tons) | 2m | 3m | 2m |
| are of market beld by imports (per | | | |
| cent) | 18 | 15 | 40 |
| w steel capacity of U.S. industry | | | |
| (tons) | 158m | 168m | 130m |
| nployment in steel industry | 449,000 | 427.000 | 360,000 |
| S. steel trade deficit (at \$400 per ton) | \$7.5bn | \$7bn | \$20bm |
| | | | |

* Direct Investment in steel. All figures in 1978 dollars.



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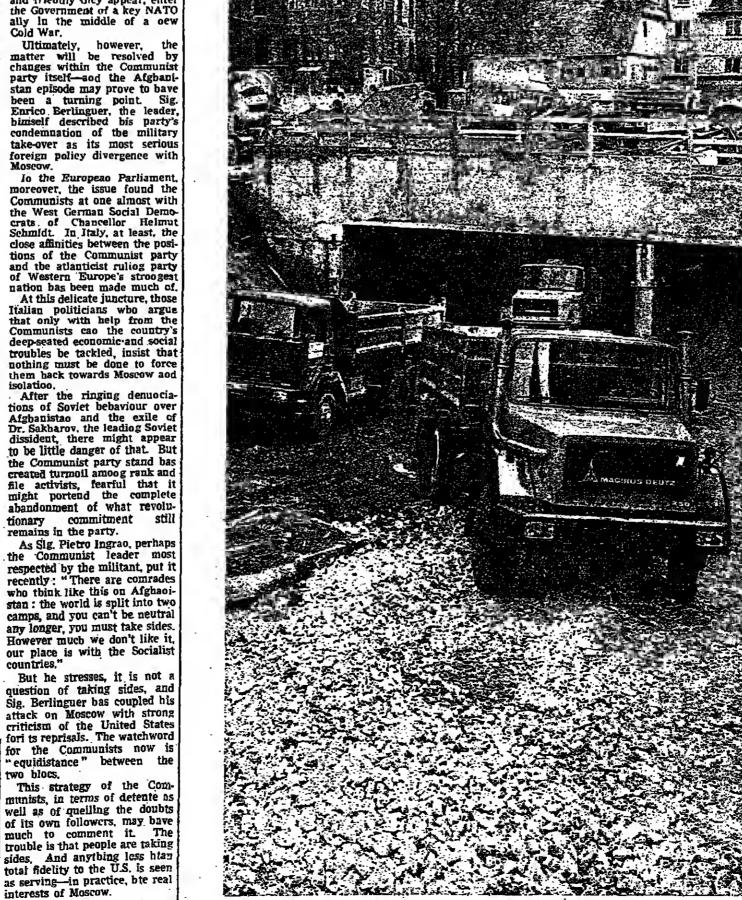
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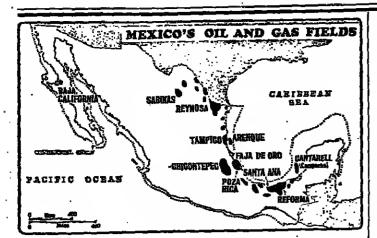
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Oil production in Mexico may double to 4m b/d

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO is thought to be con-

tion is agreed, it will bave not be impossible technically, important repercussions for although it would involve lay-Mexico'a fast-expanding economy and for oil supplies generally. The decision itself would stem from the Mexican Government's growing financial and social problams.

Both Pemex, the state oil monopoly, and the Government are keeping quiet about the issue, which has sparked considerable debate lo Mexico and understandable interest in the U.S. Mexico's northero neighbour takes about 85 per cent of the country's present oil ex-ports of 700,000 b/d, and would obviously be interested in more from so aafe and convenient a

Pemex has only confirmed that the Government's oil target during the first half of this year and that production would be 2.5m b/d by the end of the year. The 2,25m figure (of which speed with which new discoveries were being made. Production has doubled in the past a year means that 700,000 new three years to 1.9m b/d, and jobs are needed annually to stop proven reserves have increased the 40 per cent unemployment seven-fold to 45.8bn barrels, the sixth largest in the world.

Tha fact that Mexico's oil is sldering a sharp change in its coming on stream far quicker present oil policy which could than expected, and the recent double the country's oil produc- visit of Sir Y. K. Pao, Hong tion ovar the next three years Kong based magnate in the around 4m barrela a day tanker business who is in-(b/d). This would take Mexico, terested in building up an oil

which is not a member of OPEC, to output levels on a par with some of the world's leading exportars.

The Government is expected to decide officially in April. If and when the Increased production is agreed, it will have not be impossible technically, important repercussions for election in building up an oil fleet for Mexico, has nevertheless fleet ing in more infrastructure and flaring millions of cubic feet of

excess gas. On the other hand it would appear to fly in the face of Government thinking for the past three years. President Lopez Portillo has repeatedly stressed the dangers of "economic indigestion" which could be caused by flooding the country with petrodollars.

Already the Government is facing growing inflationary problems. This year oil reveoue should be \$9bn, compared with \$3.7bn last year, and the economy's 8 per cent growth is fuelling an inflation rate of over

20 per cent This year's budget deficit is officially estimated at \$8bn, thanks in part to continued beavy public sector subsidies. A similar sum will be needed to 1.Im b/d is earmarked for service \$30hn of foreign debt, export) was to be fulfilled by and 7m tonnes of food imports export) was to be fulfilled by and the ballet by 1982 when this target was set will be needed, double last in 1917, but was brought forward to 1980 because of the drastic fall in agricultural prospeed with which new disduction. Meanwhile a popula-

Airline profits fall 66%

SOARING fuel costs have been of only 2 per cent on revenues a major factor in U.S. airline of \$26bn.

of America, in a preliminary so ceots.

The industry's 1979 fuel bill rose by \$2.5bn, to \$6.5bn, and profit of \$400m will be down is expected to rise further this 66 per cent on the 1978 level, lea to \$10bo despite improved the efficiency. and represents a profit margin fuel efficiency.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

industry profits falling to an estimated \$400m (£177m) in earnings in the industry's 1979, a fall of \$800m from the history, and was due fuel costs 978 level. rising by 100 per cent, from an The Air Transport Association average of 40 cents a gallon to

Further Moscow warning to Islamabad

BY DAVID SATTER IN MOSCOW

THE Communist Party newspaper Pravda issued a veiled warning to Pakistan yesterday that It will be in danger if the that it will be in unger it the
use, of its territory by "tens
of thousands of mercenaries"
in "an undeclared war"
against Afghanistan did not

stop. In a comment on the trip to Pakistan by Mr. Zbigniew
Brzezinski, the U.S. National
Security Adviser. Pravda
accused the U.S. of trying to
pull Pakistan into an aggres-

EEC still considering anti-Soviet measures

Mr. Roy Jenkins, the President of the European Commission, said yasterday that the Soviet Union should not be allowed to drive a wedge between the Community and the United States over the invasion of Afghanistan.

He was deliveriog a com-prehensiva statement to the European Parliament's political affairs committee of the EEC's position and of the retaliatory measures taken against Moscow

Mr. Jenkins said that the Community was still studying what other measures should be taken against Moscow. He said he hoped a decision on the banning of official export credits to the Soviet Union would be taken next week.

He also reiterated that the Community would not sell cheap butter to the Russians, would not make up the shortfall in grain sales to Moscow and would only sell agricultural products at realistic prices.'

Mr. Jenkins, who discussed the Western response to the month-old invasion with Presiden Carer in the U.S. last week, told the committee:-"Unless and until the Soviet aggression in Afghanistan is

ended, our exports of agricultural produce to the USSR will not exceed what we judge to be traditional quantities."
Herr Willi Brandt, the leader
of West Germany's Socialist
Party, offered a subtle and evasive keynote speech which

distanced bim from the Atlanticism of Mr. Jenkins.
"We have to make clear that

we are oot going to punish the people in the Kremlin by sending them to Coventry. We won't heln Sakharov that ways," he The solidarity the EEC needed to deministrate, be said, was with the 104 members of the United

Nations which bad condemned the Sovie invasion. Euroce bad interests and responsibilities of its own and these required con-tinued negotiations with tha USSR on arms reduction.

Detente had been deterioratin
Detente bad been
deteriorating since 1973-74, but ter

at times like this Europe could not waste its contacts with the Soviet Union, Herr Brandt said. "We have to make the most of them." Sig. Mariano Rumor, for the

Italian Christian Democrats, found himself unable to endorse this line, neither could Sig. Pino Romualdi of the Italian Social Movement.

sive alliance.
"The issue is real aggressioo against Afghanistan involving tens of thousands of mercenaries using Pakistan and unfolding in the immediate vicinity of the Soviet

The commentary comes the closest to an explicit threat against Pakistan of anything against Pakistan of anything which has so far appeared in the Soviet Press. The news-paper said that the U.S had shown a taste for "playing

with fire " and taken Tisks " in the clear hope that it will not be the United States which will have to pay but someone

Pravda sald Mr. Brzezinski and his aides were going ta Pakistan to create a iong-term political base for U.S. intervention in the affairs of the region and that their trip bad nothing in common with the goals of peace and stability. The Pravda comment was also the latest in a series of

Soviet Press reports which indicated that the war in Afghanistan is beginning to take its toll.

Soviet correspondents in Afghanistan reported on Monday that the Afghan army was heing forced into a permanent state of alert because sabo-tenrs were killing people and destroying communication lines. Moscow Radio reported yesterday that the Afghan army had captured two Chinese military instructors

working with the rebels, and the Government newspaper Izvestia reported on Tucsday that two "Lawrence of Arabia type" U.S. agents were stirring up Moslem tribesmen against the Government in Rabul.

Meanwhile the lymple Committee the Soviet Olymple Committee has called oo sporting organisa-tions to resist the "hostile campaign" aimed at bringing about a boycett of the Olympics. The committee, in



a statement released by the Soviet news ageucy Tass warned that the proposed boy-cett, which it called "a hestile oct against mutual understanding" could aplit the Olympic movement.

India and U.S. fail to agree

Clifford President Carter's special envoy, said yesterday there would be a war if the Soviat Union were to send tronps to the Gulf after its intervention in Afghanistan.

Mr. Clifford, a furmer U.S. Defence Secretary, told a Press conference bere: "Wa have attempted to get a message to the Soviet Union. The message is: they must know that if part of their plan is to move to the Gulf, that means war."

Mr. Clifford said there would also be "great difficulties" if there were any temptatinn nn the part of the Soviet Union to move into Pakistan.

Speaking after an S0-minute meeting with Mrs. Indira Gandhi. the Indian Prime Minister, Mr. Clifford said: Our main goal is to take steps that will persuade the Soviet Union to get out of Afghanistan." The Soviet Union must also not go into any other country, he said.

K. Sharma adds from New Delhi: In splte of his two days of talks it is clear that fudia and the U.S. agree unly that Soviet troops should withdraw from Afghanistan. India wants to use negotiation and persuasion to force such a withdrawal. The U.S. is determined to send the clear message to Moscow that It would if necessary use force to prevent an attack on Pakistan and any push towards the Gulf.

Mr. Clifford said yesterday that

the U.S. acknowledged that India bad special relations with Russia and he hoped that this would be used to per-suade the Soviet Union to withdraw form Afghanistan. feels that such arms have end arms of such quantily and quality that would enable Pakistan only to check possible Soviet forays from across

Brzezinski will tread warily in talks with Pakistan leader

BY DAVID BUCHAN IN WASHINGTON

THE U.S. shares Pakistan's concero abont possible Soriet aggression or subversion through neighboaring Afghanistan, but is loth to increase its aid or security commitment to Pakistan for fear of upsetting India.

This is the message brought by Mr. Zbigniew Brzezinski, the national security adviser, who is due to arrive in Islamabad today for talks with General Zia ul-Haq, Pakistan's military ruler, Mr. Brzezinski's mission, announced only yesterday so as not to embarrass Pakistan while it was bosting tha Islamic Conference earlier this weak, is part of a delicate U.S. balancing act in the subcontinent.

Yesterday, Mr. Clark Clifford, President Carter's special envoy, met Mrs. Indira Gandhi in New

believed it now to be in the has expressed a willingness to interest of regional stability that do this. and Mr. Brzezinski is limited amount of new weapooa. The Carter Administration up aid to Pakistan.
has offered General Zia a President Carter \$400m aid package, split equally between economic and military assistance. The Pakistan President initially callad this too

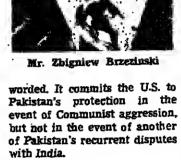
Delhi, to tell har that the U.S. West Germany, a NATO ally,

little, and India has complained that it is excessive Washington has other reasons for not wanting to increase the size of the package. To do so might make it barder to get Congress to waive non-prolifera-tion laws that ban U.S. aid to countries building nuclear weapons, as Pakistan is believed to be doing.

also visiting Saudi Arabia in the bope that the Saudis will step President Carter bas asked Congress to "specifically reaffirm" the 1959 U.S. security

agreement with Pakistan. President Zia has pushed for this to be converted into a formal treaty. But a formal treaty might take long to negotiate and even longer for Congress to ratify, and a simple reaffirma-tion by the U.S. legislature of the 1959 executive agreement would be much simpler and shorter.

The Administration does not want to unravel the 1959 accord, which is, from the U.S. The U.S. also hopes other accord, which is, from the U.S. countries will help Pakistan. point of view, very conveniently



Gromyko flies to meet Romania President

MR. ANDREI GROMYKO, the Soviet Foreign Minister, who has just returned from Syria, yesterday flew to Bucharest for talks with President Nicolai Ceausescu, of Romania, leader of the only Warsaw Pact coun-try which did not verbally sup-port the Soviet invasion of The Bucharest meeting was

not scheduled in advance, and the Soviet news agency Tass Gromyko's departure that be had gone for "a brief visit" at the invitation of the Romanian leadership.

saw Pact partners about its for reinforced national unity, plans to invade Afghanistan. The decision took on a and East European countries bave reacted with thinly disguised apprebension to the likely consequences of a deterioration in their own relations with the West. Romania bas, however, been

the only country to express this concern openly. Two weeks ago President Ceausescu made a

leadership.

The Soviet Union is under-crease Romania's military and Faced with widespread stood not to have told its War-defence capability, and called criticism of its actions in

The decision took on an significance because, barely one year earlier, Romania had ostentatiously refused to follow the rest of the Warsaw Pact in raising its military contribution, on the grounds that the situation in Europe did not justify any such action. As in 1968, at the time of tha

Soviet invasion of Czechoslo-vakia, Romania's main concern is to preserve its own relative national iodependence and keep Soviet troops out of the

World as well as the West, the Soviet Union is now more determined than ever to ensure the loyalty and support of its Warsaw Pact allies, and Mr. Gromyko is expected to impart this message to the Romanian leadership. It is also worthy of note that Mr. Gromyko's hurried visit

Afghanistan, from the Third

closely follows a visit to Bucharest by Mr. David Newsom, the U.S. Under-Secretary of State, who discussed the Afgban crisis and other foreign policy issues with widespread President Ceausescu earlier this

France changing views on Olympic boycott

BY DAVID WHITE IN PARIS

FRANCE HAS qualified its position on the Moscow Olympics, a "conscience clause" to allow after first appearing to be firmly them to withdraw.

The Government, the form ber of the French Government, ment did not condemn boycoit who came out in favour of a proposals outright, but con boycott against the boycott urged by the

M. Jean-Pierre Soisson, Minister for Sport, told the evening newspaper France-Soir that the

If only Communist countries were represented. France do so.

"would have no business" being in Moscow, he said. He also ago took the position that the said that if France sent its team committee was the only comformerly tha most popular mem-

when be said a boycott was out stan problem. of the question.

games. It has until May 19 to

them to withdraw.

The statement contrasts with sidered that jeopardising the earlier declarations by M. games was not "the appropriate are divided. The majority of Soisson in the same newspaper, means" for cettling the Afghanithe Gaullist Rassemblement

After an almost uoanimons decision was up to the Olympic Committee, but that France and Sporting Committee made would take part only if the competition were genuinely world-wide with the competition were genuinely world-with the competition were genuinely world-with the competition to participate in the off that "France will go to Most and the competition to participate in the off that "France will go to Most and the competition to participate in the off that "France will go to Most and the competition at mission of "French politicians and amount of the contribution of president Giscard d'Estaing's own small Republican Participate in the off that "France will go to Most and the competition of the competiti

cow" bandwagon.
The most noticeable was Mme.
Simone Veil, the President of

Pro-Government politicians

pour la Republique favour French participation at Moscow.

ing with the Communists and followed by the Left-wing Radicala and, with some dissenters, by the Socialista, have reitarated their opposition to a boycott.

HOW THE WINDFALL PROFITS TAX EVOLVED

But he was equally firm in saying that U.S. was keen to send signals to Moscow that aggression would be repelled. A major point of difference between the U.S. and India is President Jimmy Carter's decision to send arms to Pakistan since New Delhi been misused in the past. Mr. Clifford said the U.S. would

ENERGY REVIEW

Oil tax: backlash with less sting

BY DAVID LASCELLES in New York

Their biggest grouse is that it has come to be called the "windfall profits" tax because thia implies that they are being nenalised for making unjust gains. In fact, it is an excise tax because it is to be levied on revenues, irrespective of profits. This is not just a verbal quibble: for some companies, the distinc-tion could be painfully real because the tax may wipe out the margins of producers of high cost oil.

The lax marks the final legislative step in the far-reaching package of proposala President Jimmy Carter put forward to solve the country's energy prob-lems, hy introducing realistic energy prices into the U.S. to encourage conservation and to finance future energy growth.

Last year he initiated the phasing out over a 30-month period of the complex structure of controls which have kept U.S. nil prices well below world levels. Broadly, these controls set prices for oil depending on whether they were "old oil" discovered before 1973, nr "new oil" discovered before 1973, nr "new oil discovered since then. Certain special categories like by senior senators from the oil producing states.

a flat 50 per cent of the amount by which oil prices rose above a pre-determined lavel. Thus if controlled oil sold for \$10 a barrel, and rose to \$15 after ending controls, the oil industry would be liable to a 50 per cent tax on the increment, or \$2.50 per barrel. The tax was to be levied over and above state and federal royalties and taxes,

The only concession he wanted to allow was exemption from tax of newly-found Alaskan oil and of heavy oil because of the high cost and expensive technology involved.
The oil industry was outraged by these proposals. But
it turned out that whila
Congress shared Mr. Carter's
view that some kind of tax
was necessary, it also thought
bis proposals to be extreme. The
House of Representatives toned House of Representatives toned them down to a tax "bite" of \$273bn, mainly by trimming the tax on existing Alaskan oil. The Senate then cut them down further to a "bite" of \$178bu, which was not surprising since

first thing they did was agree to split the difference between their respective "bites," and settle on a tax yield target of settle on a tax yield target of settle on a tax yield target of ing on average at the end of last year. Thus, the bulk of U.S. oil will be taxed at the 70 per tate to start with, though

This presented difficulties and for several weeks the conference was deadlocked. Broadly, the dispute was between those who felt, like President Carter that the conference was deadlocked. President Carter, that the tax should bave a "blanket" charactar because anyone who produced oil whether now or in the future would benefit from ending controls, and those who felt the oil industry should be allowed a sufficient return and incentives to increase oil production, either by enhancing recovery from existing wells or going out to find new ones.

In the end the deadlock was

oil and newly-discovered oil.
Thus, as the table abows, the tax

is structured along lines pro-posed by the Senate, but using rates that are as high, if not

The Senate version differed bigher, than those put forward of \$16.55 a barrel and the final

the U.S. oil industry got down to were exempt.

But ending controls wes bound to bring buge increases through Congress—in a mood of resignation rather than anger.

They knew that their bigb profits from soaring oil prices were bound to produce aome kind of political backlash. It was only a question of how severe it was gning to be. Now that the tax is finally on its way their view can be summed up: "We didn't want it. But it could bave been worse."

They knew that their bigb profits from soaring oil prices were bound to produce aome kind of political backlash. It was only a question of how severe it was gning to be. Now that the tax is finally on its way their ties converted to the called the things of the windfall profits tax to cream of the extra revenues and re-direct them.

They knew that their bigb profits from soaring oil prices for oil which was only a question of how severe it was gning to be. Now that the tax is finally on its way their view can be summed up: "We didn't want it. But it could bave been worse."

The final step in the legislative process began a few weeks ago when the House and Senate got together in conference to thrasb out a compromise. The first thing they did was agree to spit the difference between the interpretation difference between the House and the House and the House. The main cate—approximately 11 years, and distinction between oil distinction between the provide incentives for new produced the levy on naw and bard-to-extract oil in order to provide incentive

In order to give the oil in-dustry incentives to find new oil, the two sides set a very much lower tex level of 30 per cent for any oil discovered in 1979 and after. This is seen as a major concession to the oil industry, though oil executives point out that for the next few years at any rate exploration for new oil will have to be financed from profits on "old oil" taxed at the highest rate.

broken with a tax that falls haviest on existing production, but which aets considerably lower rates for hard-to-extract special tax treatment is oeces-

aelling price. This band, therefore, enjoys a bigher tax
threshold than old oil.
ALASKAN OIL: existing
Alaskan oil production (which
is already exempt from price control because of the buge cost of opening it up) will be sub-jacted to the same tax as old oll, i.e. 70 per cent. But any newly-discovered oil will be totally tax exempt. This exemption, the only one in tha whole tax, was the single point on which President Carter and both both bouses of Congress agreed. It recognises the special financial needs of Alaskan oil development, as well as the fact that most major U.S. oil dis-coveries for tha rest of this century are likely to come from Alaska or its offsbore regions.
INDEPENDENTS: indepen-

dent or small oil producers end up enjoying special treatment. For the first 1,000 barrels of oil oil revenues directly attributable to Mr. Carter's programme to decontrol oil prices. The yields in the table vary because definitions of windfall earnings differ. a day they produce the tax will be 50 rather than 70 per cent. Their stripper oil will also be taxed at 30 instead of the 60 per cent oil majors will pay. Inde-pendents won special recogni-tion for the important role they play at the riskier eod of the

Congressional members have

the border with Afghanistan. They would in no way constitute a threat to India

| | Comparison of Proposals | | | | | |
|--|---------------------------------------|--|---|---|--|--|
| | White House | House | Senate | . House/Senate Conference | | |
| Tax " bite ": | \$292bn | \$273bn | \$178bn | \$227bn | | |
| Equivalent to a tax rate of | 64% | 61% | 38% | . 50% | | |
| Duration of tax | Permanent | Permanent | 17 years | To be decided | | |
| Tax categories* "Old "oil: "New" oil: "Newly discovered" oil: Incremental "oil: "Stripper" oil: Alaska oil | 50% 50% 50% 50% Permanent | 60% 50% 50-60% 50-60% 60% Pennanent | 75% 60% 10% 20% First 1,000 bb/d produced by independents is exempt. After that, 60%. Phases out. | 70%† 30%‡ 60% for majors 30% for independents | | |
| Existing: New: Heavy oil: | Exempt | 50% Exempt | 60% Exempt | 70% Exempt | | |

" New": Oil found since 1973
" Newly discovered": Oil found " Incremental": Oil produced by advanced recovery methods. "Stripper": Small wells produc-

"Old": Oil found before 1973.

t independents will pay only 50 per cent on their first 1,000 barrels a day. The tax is to be levied on the difference between a base price of \$13/b (adjusted for inflation) and the price at which the

‡ On the difference between a base price of \$16.55/b and the selling price.

§ Tax on both majors and independents will be levied on the difference between a base price of S15.30 and the selling price.

companies care to comment in detail on what it means for the APf estimates that the oll their operations, largely because it is still too early to say. However, a few general points are covious enough. The American revenues resulting from decontrol. This would leave it with the oil services the oil services. Petroleum Institute, the oil industry trade group, bas produced an eatimate of what it means for the industry as a

* Note: The windfall profits tax would be levied on

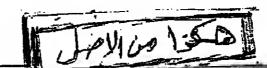
Oil Definitions:

\$228bn, or only 24 per cent.

tha opposite of what Mr. Carter intended. There Is sweetaner to the tax, and that is the strong likelihood that Con-gress will vote a more generous depreciation allowance for in-dustry as a whole before long. However, that is little consola-

years at any rate exploration for new oil will have to be financed from profits on "old oil" taxed at the highest rate.

INCREMENTAL OIL AND HEAVY OIL: Both are viewed as desirable but expensive sources of oil for which special tax treatment is oecessary. Both, therefore, qualify for the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate. All categories in the 30 per cent tax rate on the tax is popular, promise which classes some of difference between a base price of the tax, few difference between a base price of the tax, few difference between a base price of the tax, few decide whether the tax is obvious that industry trade group, bas produced an eatimate of what it means for the industry as a whole before long. However, it is obvious that the tax will land bardest on those oil companies which despend to a greater extant on U.S. production for their crude support the industry as a whole before long. However, it is obvious that the tax will land bardest on those oil companies which despend to a greater extant on U.S. production for their crude support the industry as a whole tax will be eat to industry trade group, bas production for the tax will land bardest on those oil companies which despend to a greater extant on U.S. production for their crude support the industry as a whole before long. However, it is obvious that the tax will land bardest on those oil companies which the tax will be reacted an eatimate of what it means for the industry as a whole tax will be reacted an eatimate of what it means for the industry as a whole tax will be reacted an eatimate of what it means for the industry is obvious that the tax will be reacted group. Secondary



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BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

Algeria, Indonesia consider new oil price increases

BY RAY DAFTER, ENERGY EDITOR

ALGERIA AND Indonesia are among major oil exporters considering new price increases, following the move by Saudi Arabia and other Gulf states to raise crude oil prices by about \$2 a barrel.

If Algeria and Indooesla do decide to follow Saudi Arabia's lead, it will almost certainly start a new wave of price increases through producing countries in Africa, the Middle East and South America.

North Sea producers, whose prices are linked to international market rates, would also be forced to raise their

At present, the reference price for high-quality North Sea oil has been set at \$29.75 a barrel, well above Saudi Arabia'a new marker price of \$26 a barrel for Arabian light crude, but still considerably below the \$33-\$34.72 a barrel being charged by Algeria and

Poll gains for

Manila Returns reported

yesterday in local and provin-

cial elections held under martial

law in the Philippines indicated

major victories for Presdent

Ferdinand Marcos's New Society

But anti-martial law forces

appear to have scored major

gains on the southern island of

Mindanao, where a Moslem-led rebellion has been under way

since President Marcos pro-

A hitter enemy of the Presi-

dent won the mayoralty of Zamboanga City, which is

headquarters of the Filipino

army's southern command. Can-

didates who campaigned against

martial law led in the island's

two other major cities, Cagayan

de Oro and Darao, and in the

Cagavan de Oro-based governor-

mayors and governors exercise

the most governmental control

over their constituents, repre-

senting them directly to the

central Government in Manila

on most issues. Hence local

elections are fiercely cootested

Under the Filipino system.

ship of Misamis Oriental.

claimed martial law in 1972.

anti-Marcos

candidates

On Monday, Saudi Arahla Algerian oil bave apparently raised its reference price by \$2 to stabilise the world oil market and to bring its prices more in line with other exporters. The iocrease was backdated to January 1.

Immediately. major exporters—Kuwait, Iraq, the United Arah Emiratea and Qatar—followed suit, undermin-ing the Saudi effort and raising the prospect of a new spata of

price leap-froggiog.

Algeria is aaid to be conaidering a similar \$2-a-barrel
rise. If implemented, the price
of its Saharan and Zarzaitine
would rise to \$35 a barrel,
although this would include a would rise to 535 a parter, although this would include a \$30 and \$33 a barrel, depending on quality, as against \$34\$35 a barrel exploration levy on quality, as against \$34\$35 which could be refundable in a barrel last week, and \$39\$40 a barrel before Christmas.

Algeria bas already informed clieots of its iotention to raise prices, according to Bulletin de l'Industrie Petrolière (BIP) in Paris. But some importers of market rates.

Israel to tighten West Bank controls

By David Lennon in Tel Aviv

ISRAEL IS planning to tighten its control over the West Bank and Gaza Strip, even as U.S., Egyptian and Israeli officials started a new round of talks yesterday on Pales-tinian autonomy for the occupied territories.

Mr. Sol Linowitz, special U.S. envoy, beld a closed meeting with the heads of the Israeli and Egyptian delegations in a search for common ground which might hreak the deadlock between the two countries over the nature and

scope of autonomy.

As the negotiations resumed, Mr. Menahem Begin, Israel's Prime Minister, told a group of Knesset members that the Cabinet would shortly table legislation making if easier to expropriate land in the occupled territories for Jewish

settlements.

Justice Ministry officials are preparing a number of options for new legislation which will make it impossible for Arab farmers to appeal against the seizure of their land for settlements.

The decision to introduce new legislation was taken in the wake of the High Court ruling that land seized for the controversial Eilon Moreh settlement had been taken illegally During a talk with the settlers this week, Mr. Ariel Sharon, Minister in charge of settle-ments, said that although they had to move to a new site, Government had not abandoned is plans for the area. A chain of Jewish settlements would he huilt around Nablus, the biggest

Bank. Reginald Dale adds from Jeru salem: Mr. Begin yesterday sharply rejected Egypt's latest proposals in the Palestinian autonomy talks, and accused Cairo of a "complee deviation" from the Camp David

Palestinian town on the West

agreement The three main points he objected to were: Cairo's constitutional plan for the West of the partners in the PSA. Bank in the five-year transitional period, the suggestion that Arabs in Jerusalem plants for two days. should be included and the requiremen that Israel's remaining security forces in similar, but more serious prothe area should seek per-

Mr. Begin corrected reports that he bad called for a new Camp David style meeting between himself; President Carter and President Sadat of Egypt, to settle the autonomy issue. He would be willing to attend such a gathering, but had not suggested it.

The proposals he rejected were not mentiooed in the Camp David agreement, Mr. Begio for a legislative council with 80-100 memhers, of wbom-10-15 would constitute an executive, plus a judicial comes up for renewal in two

David, Mr. Begin added. He stuck firmly to the agreed formula of "a self-governing authority (administrative authority (administrative losist on the strictest possible council)" and be rejected application of MFA and EEC anything that would open a rules to prevent disruption of the UK textiles market, he toldestablishment of a Palestinian members of the Manchester

UN cautious about plan for embassy hostages

BY DAVID BUCHAN IN WASHINGTON

U.S. bostages in Tehran, which the 50 diplomats while a United while Mr. Qotbzadeh has said Nations commission investically Canada will be made to pay gated Irao's allegations against Simon Henderson reports gated Irao's allegations against Simon Henderson reports the deposed Shah is one of from Tehran: Any renewed several diplomatic efforts being optimism on the part of the pursued by Dr. Kurt Waldbeim. U.S. Government about the safe the United Nations secretary-

But senior UN officials said week of Mr. Bani-Sadr as yesterday that oo breakthrough can be expected uotil it hecomes clear exactly how Iran will react to the escape of six U.S.

Diplomats io Tehran counsel caution, however. They point that Mr. Bani-Sadr does not be senior under the country of the caution, however. diplomats with the help of the Canadian emhassy.

Senator Frank Church, chair-

man of the Senate Foreign Relatration. But it is not clear on what his optimism is hased. The other factor compounding the uncertainty is what UN

SOLUTION to the issue of the minister, and Mr. Abol Hassan Bani-Sadr, the President-elect. would involve the International Red Cross in taking custody of solution to the hostage crisis.

replied they would find it more profitable to buy refined oil

products on the open market.

Petramina, Indonesia's state-owned oil company, has also

indicated it is considering a \$2-

a-barrel rise. An announcement could be made within the oext few days. If Indonesia goes shead, the price of its Sumatran

Light crude oil would rise to a record \$29.50 a barrel.

The oil industry is puzzled by the wave of price revisions, because it colocides with a sharp fall in spot market hates.

According to Rotterdam spot market dealers, cargoes of crude

oll are being offered at between \$30 and \$33 a barrel, depending

release of the hostages is prob-

out that Mr. Bani-Sadr does not officially assume office until after elections for a general assembly in about four weeks tions Committee, has expressed time. Meanwhile the militant renewed optimism on getting students holding the embassy the hostages freed, following are still demanding the return talks with the Carter Adminis- of the Shah and refuse to countenance any compromises.

Ayatoliah Khomeini has yet

to show any change in his previously unbending attitude. The officials describe as a power militant students would only struggle between Mr. Sadeq alter their position if ordered Qotbzadeh, Iran's foreign directly to do so by Khomeini.

China renews pressure on Hanoi

BY TONY WALKER IN PEKING

CHINA appears to be intensify—Abandonment of the Sino-lations between the two couning its diplomatic offensive Vietnamese peace talks for the tries.

against Vietnam and foreign time being follows similar action in its dispute with Hanoi over ministry officials here have contaken last week over negotiative islands in the South China firmed that 5ino-Vietnamese tions between Peking and Sea, Peking claims that Vietnam peace talks will not go ahead as planned. Peking bas also official, Mr. Han Nianlong, tance of Chinese sovereignty renewed its claim to the Paracel Deputy Foreign Minister and over the Sprattys and Paracels, and Spratty Islands in the South chief Colnese negotiator at the In its statement the Vietna

At the same time, China is continuing to charge Haooi with border violations. The Chioese say a series of incidents have taken place during the first month of the year. Several sumption of the talks. A state-resulted in loss of life. ment from the Vietnamese

China may be seeking to take continued to delay the resumpadvantage of the unpopular tioo of the talks, this would Soviet action in Afghaolstan one more show its lack of good-

Sino-iVetnamese peace talks,

was too busy to attend.

The Chinese response came after the Vietnamese had proposed several dates for a re-Western diplomats say that emhassy here sald that if China which Vietnam has been obliged will in seeking a negotiated settlement of the problem in re- claim.

In its statement the Vietnamese emhassy rejected the Chinese claim and reaffirmed that the islands belonged to Vietnam. The disputed islands have become lucreasingly important in recent years with the The Chinese said yesterday

that the islands had been "China's territory since ancient They listed historical precedents and various agreements and maps to back up the

Botha may bypass his MPs to force pace of change

THE South African Parliament with action. In spite of the further action to implement assembles in Cape Town today, expectations aroused among his in an atmosphere of unprece-own white electorate he has to On ooe hand, the hooming

gold price has aroused visions of a dramatic revival of the previously languishing South African economy. On the other, the language and style of Mr. P. W. Botha after 15 months as Prime Minister have created expectations of far-reaching reform in the embattled bureaucracy of apartheid.
In spite of the huge fluctua-

tions in the gold price since it topped \$850 at the New Year, gold fevar is still rampant in gold fevar is still rampain in South Africa. The sudden doubling of the cash flow to South Africa's gold mines has also boosted state revenues, bringing the hope of big handouts from Senator Owen Hor-wood, the Minister of Finance, in his March budget. Business confidence has rapidly picked up and economic forecasts for the coming year are being revised upwards by the week, Mr. Botha's administration is almost equally responsible for the transformation. Within a matter of months of the traumatic resignations of Mr. John Vorster, the former Prime Minister, from the position of State President for his part in the creation of the secret Information Department alush fund to buy friends and support for bis Government, his successor is riding on a crest of optimism.

the event, both the gold price and political hopes could prove inflated. The biggest question over the coming Parliamentary session is tive opposition from his own munication. There is, whether Mr. Botha will match party, and from the white trade still no move to talk bia promises of racial reform unioos, be may also taka radical black leaders.

overcome an ablding scepticism In the black community.

More immediately, he faces constant struggle to persuade however, appear to be com-he great Conservatire majority mitted to a clear programme in the great Conservatire majority of his own party of the need for change. Finally, there is still some question over just how far he is willing or ready to go in seeking to tackle the glaring racial inequalities of South Africao society.

To some extent the strength of the gold price could belp Mr. Botha huy time. Two rela-tively uncootroversial areas likely to henefit from increased state spending are black hous-ing and black aducation, as part of the effort to improve the material welfare of the majority black population.

But accelerating economic growth is also likely to bring lorward the need for streamlining the apartheid bureaucracy. The major bottleneck to a rapid economic revival is the sbortage of skilled manpower, coupled with a persistently high rate of inflation. Mr. Botba la likely to face continuing pressure further to liberalize the country's labour laws and to allow faster training and promotion of black workers, if he is to head off an inflationary wage spiral. He is likely to introduce legislation to win their support.

In the major recommendations of the Riekert National Party is involved in a Enquiry, intended to make the labour mobility and Gatsha Buthelezi's Inkatha hlack labour mobility and recruitment more efficient.

the recommandations of the Wiebahn Commission on the organisation and training of The Government does not,

the coming session, which is more likely to be domloated by external events. The situation in Rhodesia is the most important foreigo influence, and any progress towards a peaceful settlement in neighbouring Namihia (South West Africa) seema certain to be held back British Initiative has been successful in Salisbury.

The advent of a hostile and radical black Government in Rhodesia would make Mr. Botha extremely loath to risk lopment in the South Africanruled territory, and therefore he could finally reject United Nations attempts to promote a settlement.

scena, the extra-parliamentary the back door.

debate is likely to prove more important than discussions in the House. Already Mr. Botha an overhaul of the civil serhas virtually abandoned his vice and of the operations of blueprint for a new constitution, granting separate Parliaments to the coloured (reinforced).

recruitment more efficient.

If he can face down conservative opposition from his own munication. There is, bowever, party, and from the white trade still no move to talk to more Parliament may ultimately



The growing irrelevance of Parliament is also underlined by Mr. Boths's strategy of liberalising racial discrimination in areas such as sport and restaurants by special permits and exemptions, rather than by any danger of a similar deve- new laws. At the same time, he bas set up a series of extra-parliamentary commissions to discuss major aspects of policy. In this way be can avoid divisive debates within his own Even on the domestic political party, and introduce reform by tena, the extra-parliamentary the back door.

an overhaul of the civil service and of the operations of the Cabinet. Mr. Botha bas greatly increased the power of his National Security Council, ments to the coloured (mixed his National Security Conneil, race) and Indian population on which his military commangroups because of his inability ders sit. He has also set up a series of inner Cabinet commit-tees, at the expense of the wider Cabinet and the party caucus in Parliament. Whatever new legislation may be seen io the coming session, the ateady erosion of the power and influence of the all-white

prove more important.

YAMAZAKI MACHINERY, a increased from about three to leading Japanese maker of four units a month three years numerically controlled machine ago to 30 to 40 units now. tools, is to establish a whollyowned sales company to Worcester which could eventually become a manufacturing base for the EEC. Yamazaki's European sales are still only about 60 per cent of its exports to the U.S. (where the company already makes NCcontrolled lathes and may soon

Yamazaki to set up tool

company in Worcester

The company will initially coocentrate on sales and servicing of machining centres but will expand its activities into other fields if labour conditions turn out to be satisfactory. Yamazaki has selected a site for its plant and hopes to complete building work by April

next year. Yamazaki's interest in the UK reflects the fact that Western Europe has become hy far the fastest growing market for Japanese machine tool exporters during the past two years. Yamazaki's shipments of NC-controled lathes and machin-

ing centres to Europe have

make machining centres). However, the European market is growing more rapidly than the U.S. market. The UK is Yamazaki'a second biggest European customer for lathes and machin-ing centres, preceded by West Germany where the company plans another wholly-owned sales and servicing company Yamazaki is one of the top three Japanese exporters of NClathes but is the only one ao far to build up an overseas manufacturing operation (in the

growth in the past few years. because of booming mainly ^ demand from Western markets (where local machine tool manufacturers seem to bave been unable to keep up with

Japan's exports of numerically controlled lathes to the U.S. are running at about 1,500 units a year, equivalent to at least 75 per cent of the U.S. industry's manufacturing capacity.

The sbarp increase of Japanese exports has exposed the Japanese industry to anti-dumping investigations, but the Japanese makers claim that, for tha time being at least, neither America nor Europe could with

Toyota rethinks assembly policy

TOYOTA Motor Sales said yes- commercial vehicles. It will do locally owned) on a knock-down terday it is reappraising its this because of a new Govern-basis. In return for running knock-down car assembly operations in Portugal and Ireland in the light of planned changes in import policies in both countries.

In Portugal, Toyota assembles commercial vehicles and passenger cars through a 25 per cent owned affiliate, Salvador Caetano.

The company plans to decrease the number of cars it ssembles in favour of more

lifting of restrictions on the import of completed vehicles by 1984, or by the time it joins the Common Market. Last year, Toyota assembled

1,200 cars and 3,000 commercial vehicles in the country.

Ireland, under a pledge made when It joined the EEC. plans to lift restrictions on completed vehicle imports by 1984.

5.500 Toyota Ireland (100 per cent assembly entirely.

Government allows Toyota to import about 6,000 completed cars a year.
The Irish Government is

attempting to diversify away from car assembly operations in preparation for the liberalisa-tico of imports. Toyota said it may consider other lines of husiness in Ireland and is studying a change in the type of vehicle it assembles there. It Toyota assembles 5,500 vehicle it assembles there. It Corolla model cars a year at does not plan to withdraw from

Citroen acts to meet downturn

BY TERRY DODSWORTH IN PARIS

long drawn-out boom in French car sales is now over has come

the average working day for of about 6 per cent. four days a week up to the end of April.
The third arm of the PSA

organisation, Peugeot, bas also French car companies, only the petrol duction cuts at Talbot, the nationalised Renault group

Predictions of the possible suffer from reduced demand last

FURTHER EVIDENCE that the period, is trimming 14 bours off vary widely, up to a top limit

between 2 and 5 per cent com-pared with the record level of almost 2m vehicle registrations made pessimistic noises about reached last year. A secondary plants for two days.

the market recently, and took factory influencing Citreon's Citreon's announcement folsteps to reduce production over decision is a marked fall in hig
lows only a few days after a Christmas. Thus, of the big car sales in France as higher again shortly—begin to bite. mission from the new West former Chrysler-Simca company, seems confident of maintaining Citroen has a dominating Bank authority before moving which is now part of the same, its production through the first positions.

PSA group. Talbot, after closs quarter of this year.

CX model, which began to

Textile import controls to stay

CONTROLS on imports of tex-industry, also gave an assurance of its needs, and that two-thirds tiles and clothing into the UK that orderly arrangements for of imports came not from low the developing world are the accession of Spain and cost developing countries but likely to be contioued in much their present form when the GATT Multi-Fibre Arrangement years' time, Mr. Cecil Parkinson, Nothing about this had even been mentioned at Camp Trade, forecast yesterday.

The Government was also determined to continue to fight

unfair trading practices affecting textiles and would also members of the Manchester Chamber of Commerce. Mr. Parkinson, in a apeecb

would be sought.

generally stop or control imports of textiles from other developed countries, many of

itself. "What the Government negotiated with all the major cannot do is to regulate fashion Mediterranean producers—changes, protect firms that do not update their designs, protect special association agreement workers who will not operate with the EEC. modern machines effectively, or

which have wage costs far in excess of our own," he said. Mr. Parkinson also poioted iotended to allay industry fears out that, taking textiles and of a lack of Government com- clothing overall. Britain still mitment to maintenance of the imported less than one third

Portugal - both large textile from Europe and the rest of the producers—to the Community developed OECD. The MFA had worked well on the wbole The Minister pointed to a in limiting the growth of number of areas, however, imports, and voluntary restraint where the industry must belp arrangements had also been

Efforts were being made to secure a voluntary agreement with Turkey for 1930 and the EEC would also be trying to negotiate special transitional arrangements with Spain and Portugal to prevent a surge in thair exports on entry into the

\$144m Skylab deal for ESA

PARIS-The U.S. National Aeronautics and Space Admini-stration (NASA) has signed a \$144m (£64.2m) contract for a two-man space laboratory to be built by a European consortium, the European Space Agency (ESA) said yesterday. Prime contractor is the West

German concern Erno, and the contract provides for the supply of equipment and spares from October 1981 to April 1984. Spacelab is an orbital laboratory to ba launched with the NASA space shuttle, to which it will remain attached. It can spend at least a week in space, ESA said. The first spacelah mission is scheduled for April 1982.

France, China consider ioint watch-making plan

BY TERRY DODSWORTH IN PARIS THE POSSIBILITY of tech- countries which foresaw more

nological co-operation between the French and Chinese clock and watch making companies has been raised in the wake of two French trade missions which have visited China in the past few weeks.

French companies in the delegations, which have included manufacturers' both of components and finished timepieces, are said to be favourpieces, are said to be favourable to setting up joint operations in China.

Such husinesses would fall
coal-mining capacity by 14m

co-operative deals designed to belp small Chinese companies through the injection of French technology. At present, China is running

a balance of trada surplus with France in this sector. French companies believe, bowever, that technical operation agree-ments could lead to a development of their export trade with

hroadly in line with receot tonnes compared with a 12.5m agreements between the two tonne rise in 1978

Nordic pulp price may rise 10%

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM EUROPEAN paper makers cao

expect to pay more for supplies of Nordic pulp from April 1, according to Swedish pulp industry sources. Two major producers confirm that they are considering increases of between 5 and 10 per cent for second quarter delivery and the rise is likely to be nearer 10 per cent than

per cent. A 10 per cent iocrease would take the price of the leading order to allow continental paper quality, bleached sulphate pulp, makers time to adjust their to 3550 (£243) a tonne. The Swedish and Finnish

Cellulosa's information director, of market pulp would be some said his company considered the market was firm enough to take year, but this level will probmarket was firm enough to take a price increase. A 10 per cent rise might be possible but the exact level had not yet been discussed within the company. Mr. Göran Siöherg, MoDo's information director, said price increases were assually announced a mouth in advance but an announcement could come that Nordic producers' calculation in the Nordic producers' calculations. The U.S. mills are

ably not now be reached. The Nordic mills bave heen running at full eapacity for nearly two years and are now experiencing more frequent

experiencing a profit fall, inflation accelerates and they prices.

The background favouring a labour costs. The Americans, price increase is the tight the Nordic producers believa, supply altuation in the Nordic will also be seeking price countries and North America. Increases and will be in no posimilis last raised the price by \$25 price increase is the tight the Nordic producers believa, a tonoe for delivery in the first supply altuation in the Nordic will also be seeking price quarter of this year. Io 1977 countries and North America increases and will be in no positively were selling bleached suided industry experts bad calculated tion to raise deliveries of phate pulp for \$330 a tonne earlier that the combined 1980 cheaper pulp to Western Mr. Borje Dahlin, Syenska North American/Nordic output Europe.

CBI finds Rhodesia a tough market

BRITISH businessmen are going to find Rhodesia a tough market to break into and should be prepared in send only their senior sales representatives if they bope ta gain a loothold there.

ta gain a footheid there.

An 11-member mission of the Confederation of British Industry (CBI) has just returned from Rhodesia, and yesterday expressed optimism at the potential for trade between the two countries. The mission's optimism, how-ever, centred on the availa-bility of finance and heavy equipment to bring confirment to bring Rhodesla's industrial infra-

structure up to date.

It was less enthusiastle about the potential for breakling into the consumer goods market because the country bad attained 90 per cent selfsufficiency in this sector and full setf-sufficiency in foodatuffs, albeit at austere levels.
"The Rhodesians will not import anything like what they imported in these areas before UDI," said Mr. Daniel Stewart, general manager for the Central. East and Southern Africa divisian of the Standard and Chartered

Bank.
"There is no point in UR industry sending out junior representatives." he commented, at the Press conference. "This is a bighly sophisticated market, and I would urge British industry to send out senior representatives." Mr. Stewart, who spent cight days in top level talks with Rhodeslan hankers. Industrialists and civil servants, stressed, however. Rbodesla's need for all types

transport and mining They have a high credit rating and are substantially underborrowed by inter-national standards," be added. Specifie sectors discussed during the visit were the Wankie power scheme and the electrification of the Sallsbury-Gwein railway.

Mission representatives also met with black business leaders in Sallsbury and Bula-

of capital goods far their

wayo in the retail, hardware and building materials trade, to advertising and in hus transportation. They did not meet any political leaders. Meanwhile, the Department of Trade has given a rough estimate that trade between Britain and Rhodesia ought to rise to about £200m within the next year from the pre-UDI 1965 level of £60m, evenly balanced between exports and imports. There was little doubt that within four years Reedesla third most important trading

partner in Africa-after South Africa and Nigeria.

MAN truck plan upsets **UK** hopes

By Tony Hawkins in Salisbury MAN, WEST German truck manufacturer, is to build a £650,000 plant in Rhodesia to assembly lorries and trucks. It is the second major set-back to British motor vehicle manufacturers to be announced in Salisbury within a week, following the news that Volkswagen is to assemble Its Golf passenger cars for the Rhodesian and neighbouring markets at the Willowvale assembly plant which, prior to the nullateral declaration of Independence in 1965 was owned and operated by Ford Motar at Canada.

In the pre-sanctions period the Rhodesia motor vehicle market was dominated by Ford and BL, both of which operated assembly plants and Britain's largest export to Rhodesia in 1965 was motor

vehicles.
The MAN trucks are to be assembled at a local plant over the next 18 munths while the new factory is being built at Sinoia in the north-

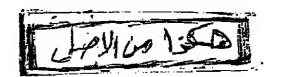
Aiready, selected Rhodesian technicians are being trained by MAN at its assembly plant at Pinetown, near Durban in South Africa.

Japanese loan for Iranian chemical plant

TOKYO—Japanese banks have this week advanced a Y50m (£92,592) luan tn Iran as part of the financing package for the petrochemical complex in southern Iran. The lean by the Expert-Import Bank of Japan and a syndicate of 20 domestic banks was the first made toward the stalled construction project in Bandar Khomeini since last September. By last September, the syndicate bad lent Y58,90bn of a total Y60bn pledged for the venture.

Mr. Eimiei Yamashita, senior managing director of Mitsui and president of the fran Japan Petrochemical Company (IJPC) left Tukyo on Wednesday for Teheran in discuss resumption of work op the complex, which has b held up for almost a year.

Agencies



BP Chemicals may build methanol plant

BY SUE CAMERON, CHEMICALS CORRESPONDENT

Well will test size

A CONSORTIUM of oil com- in Edinburgh that the company

panias is to drill a North Sea was participating in 29,000 well to test whether the sizeable acrea of licensed area in the Alwyn Field, east of the Shetland Islands, is bigger than holdings by independent UK

Pict Petroleum, a small UK tended to increase that acreage

diture.

of Alwyn Field

BY RAY DAFTER, ENERGY EDITOR

independent oil company, said

yesterday that the well would

Other members of the consortium which will be involved in the drilling operation are Total

Attractive

ba:

12 11 2503

be drilled in the southern half licences. of block 3/14b. Pict has a 4 per cent stake in this concession. Double

(15 per cent), Elf Aquitane (30 per cent) and British National America. That noil Corporation (51 per cent). double this year.

BP CHEMICALS is understood. A 44-mile pipeline runs from have to be put in on platforms to be considering building a West Sole to Easington, on the methanol plant at Hull. It coast, and BP Chemicals uses would use gas from the North Sea West Sole Field as a raw

CBI finds in a rest

The company is believed to be carrying out a feasibility study on the project. A "worldscale" methanol plant would be able to produce between 500,000 and 750,000 tonnes and cost something in the region of £75m

If the BP group went ahead with the project it would also have to invest a considerable sum in increasing gas production from the West Sole Field. It might be necessary to build another gas pipeline from West Sole to Hull.

some of the gas that goes through it to power plants at the Hull site. Most of the gas from West Sole is sold to the British Gas Corporation.

Under a 20-year contract signed with BP in 1970 the corporation is entitled to 150m cn ft of gas a day, about 1.3bn stood that the contract is being

Production from West Sole, the first UK gas field discovered in the North Sea, has started to decline. It is believed that if BP Chemicals builds the methanol plant at Hull addi-tional compression facilities will

by applying for prospective new

blocks in the seventb round of

Pict, which also intends to

seek a Stock Exchange listing,

has additional interests in over 100 onshore wells in North in the field. BP might drill more wells on the field. Under the 1975 Energy Act

Government permission is not required for an oil company to provide gas onshore to one of its subsidiaries, such as a cbemicals producer.

BP Chemicals takes about

140m cubic metres of gas a year from the West Solc Field for use at Hull If it builds a methanol plant there, it is most unlikely that construction would start until the end of the

Metbanul is used in making such products as formaldehyde, industrial solvents, and antifreeze compounds, and as an intermediate for pharmaceuticals and fine chemicals

More coal consumed by power stations

By Martin Dickson, BRITAIN consumed 7.4 per cent more coal last year than in 1978 with rising imports more than offsetting a slight fall in domestic production, Power

of the increase.

According to the latest issue of Energy Trends, the Department of Energy's statistical bulletin, Britain consumed 129.4m tonnes of coal in 1979. However, provisional figures show domestic coal production to have been 122.4m tonnes—

America. That number could The company reported that it made a profit of £88,000 for the year ended October 31 (£80,000 Coal Board's deep mines rose by 0.2 per cent to 107.7m tonnes, this was more than offset by a Alwyn was discovered by the in the previous year) before Total/Elf group in 1973 but up writing off exploration expentractor companies. Production from opencast mines, which suffered from Labour disputes regarded as too small to be A four-year study is being commercially exploitable. Yet mounted into the environmental with improving technology and effects of development and effects of development and rising oil prices the discovery is operation of the Beatrice oil now looking much more attrac-field in Scotland's Moray Firth.

Statistics show that imports of coal, both for coking and steam-raising, to bave risen from 2.3m tonnes in 1978 to 4.3m last year-a rise of 86 per cent. Power stations accounted for the bulk of the increase in Britain's use of coal. They burnt 8.2m more tonnes than in 1978, reflecting a switch from

to reduce dependence on it. The statistics also show that

Britain's oil production dur-ing during this period was 19.8m tonnes, a rise of nearly 36 per cent on the same three months of 1978, while the supply of natural gas to the public supply system rose 9.2 per cent in 1979, to 17.3bn

stations accounted for the hulk

down 1 per cent on the previous

Although production from the fall of 1,3m tonnes from opeoeast mines operated by conin the final months of the year, was down to 12.8m tonnes.

oil in response to higher oil prices and Government policy

in the three months from September to November 1979, Britain'a energy consumption rose by 3.4 per cent compared with the same period in 1978. Coal consumption accounted for most of the increase. On a seasonally adjusted and temperature-corrected basis, the rise was only 0.3 per cent.

Bernard Wardle closes factory

BY ROBIN REEVES, WELSH CORRESPONDENT

THE BERNARD WARDLE Group, presently the subject of and General Workers' Union Ferguson Lacey'a Blrmingham Midland Counties Trust, yester-day announced the closure of "We are just pawns in a chess its Caernaryon factory in North

The factory employs 321 staff. 100 will be offered jobs elsewhere in the group.

The company, whose main activity is the manufacture of PVC sheeting, said that following an analysis of future market prospects it had decided to concentrate its production of coated fabrics at its Armoride factory at Earby, near Colne, Lancashire.

The group believes that as a result of this move it will be better able to maximise the market potential for coated fabrics and he able to compete more effectively, because of reduced overheads.

Althnugh small by comparison with the thousands of steel redundancies threatened in South Wales, the closure is a body hlow to the economy of the Caernarvon region. Bernard Wardle has long been the second largest manufacturing employer in an area acutely short of light industry and with a double-figure unemployment

Even before the announce-ment, the number of jobless was destined to rise sharply in the months ahead as a number of major civil engineering pro-jects are completed. These include a new district hospital and the Britannia Bridge Road Crossing across the Menai Straits to Angelsey.

BY LISA WOOD

THE need for Britain to double

next 50. years was stressed

yesterday at the annual meeting

At present about 4m acres of

the country are afforested. In 1978 the UK produced about 10 per cent of its total consump-

tion of softwoods. In the same

year wood and wood products

Mr. Brian Howell, a member

of the organisation's executive

committee, said: "Even if we double our acreage of trees to

16 per cent of the country we

are still well below the present

general European level of 21 per cent afforested land."

He said there were serious problems in acquiring more land for woodland. There was

a lack of land coming on to the market and also opposition from farmers, conservationists

and ramblers to more land

being used for trees.

Mr. Howell said that his organisation supported the con-

servationist lobby in that it

egreed that paper and asso-ciated products should be re-cycled, "But we still need to

grow twice as much," be added.

worth £2.54bn were imported.

of the Timber Growers Organisation in London.

Double Britain's trees,

Its acreage of trees during the disease was also discussed. Mr.

timber growers told

Mr. Tom Jones, the Transport takeover bld from Mr. district secretary, said they would be doing everything We are just pawns in a chess

game," he declared.
The Caernaryon factory, he claimed, was running at a profit However, it is understood that and making better fahric than any other company within the group. Last year the unions had accepted 75 redundancies at the plant. Yet, thanks to close co-operation with the local management they had increased output to above the pre-

redundancy level
Mr. J. W. Sharpe, group
managing director and chief executive, denied the decision had anything to do with the current 51 per cent takeover Trust. This bid is described as "friendly" though share-holders are currently being advised by the Bernard Wardle hoard to take no action until it makes a further announce-

Mr. Sharpe conceded that Welab fears for the future of the Caernaryon factory had heen expressed two years ago, when Wardle first purchased the Armoride Division of Champion Associated Weavers for £2.6m This added to the group's PVC coated fabrics production capaity at a time when the market for the material, once very widely used for car upholstery, was contracting.

Then, the company insisted that these anxieties were misplaced. The acquisition, it said, would increase security of employment inside a stronger and more progressive group of

The problem of oak wilt

Micbael Harley, the president

said every effort must be made

to prevent sawn oak timber from the U.S. bringing the

Oak wilt disease is now affect

covered with the fungus which

chemically treated to kilbeetles and dormant disease.

disease to Britain.

kills within a year.

Delta Metal to sack **850**

BY ROY HODSON

TWO-THIRDS of the 1.350 workforce at the Enfield. Middlesex, rolling mills division of Delta Metal are to be made redundant because of the poor market for rolled eopper and brass.

The company has been fighting a fall in demand for copper and brass sheet and strip products. Mr. Alan Adlington, managing director of the division, said vesterday that the worsening pattern of trade was expected to continne for some time.

A total of 850 redundancies is planned at the rolling mills. A further 600 employed by Delta Enfield Cables will not be affected. As demand for copper and

hrass products bas been affected by world economic recession and the availability of alternative materials, producers have been subjected to increasingly severe com-petition both at bome and abroad. Delta has been losing money on its rolled metals operations.

No changes are envisaged in the rest of Delta's metals operations. The group's stockholders will continue to offer a full range of copper and alloy products.

Special arrangements have been made with the Man-power Services' Commission to find new jobs in the Enfield area for the redundant Delta workers. The group is also planning consultations with unions at the plant.

Yard fraud squad probes loss of sunk tanker's oil

SCOTLAND YARD'S metropobtan and City Police company leadership of Mr. John Oliver, a fraud squad is investigating Lloyd's man, bave been purfraud squad is investigating aspects of the circumstances surrounding the mysterious sinking of the oil tanker Salem, and the disappearance of a cargo of oil with an insured value of \$56.3m (about £25m).

The investigation follows submission of a report by Sbell International Trading to the Director of Public Prosecutions. The Salem, 213,928 dwt, a

crude carrier, was bound from Kuwai; to Italy with a cargo of 193,132 tons of crude oil which Shell had bought in midvoyage from a Swiss company,

The 1989-built ship, purchased by the Oxford Shipping Com-pany of Liberia only a month before, sank off the West African coast on January 17 after a series of explosions.

A Tunisian memher of the

crew has stated that the bulk of the oil cargo was discharged at Durban, after an unscheduled

stoo. He bas said that the ship was later sunk off Dakar, Senegal. The London police are investigating "certain UK aspects of the matter, including the insurnce and purchase of the cargo. Lloyd's has not yet received insurance claims on the cargo

from Shell, hut lead underwriters on the insurance busi-uess alerted Mr. Robert Bishop, an insurance investigator, who was conducting inquiries yesterday on the underwriters' behalf. The vessel is insured for

covered in London by Lloyd's

and the insurance companies.

Hull underwriters, under the suing their own inquiries. Their solicitors Ince and Company, have interviewed members of the crew in Dakar, Piraeus and elsewbere.

Technical experts have been called in to test the feasibility of the crews' account of the

sinking. The cargo is insured in London by Lloyd's underwriters and companies. Cargo underwriters are investigating the solicitors, Clyde and Company

This bas disclosed that the vessel called and discharged most of the oil cargo at Durban at the end of December. Lloyd's said that widespread inquiries were continuing in co-operation with the police.

Machine tool orders static

THE TREND of new orders in the machine tool industry showed very little movement in the third quarter of 1979 Figures published in Trade and Industry today put the October index at 82 (1975=100), which is the same level as in June August and September, 1979.

The figures, however, mask distinct difference between home and export markets. While new home orders showed a fall of 11.5 per cent between July and October, new export orders rose by 18.5 per cent.

Ulster 'poorest region in UK'

BY OUR BELFAST CORRESPONDENT

NEARLY 70 per cent of those jointly financed by the Northern must press for such changes, interviewed in a Belfast bouse- Ireland department of bealth bold survey are living below the and social services and the EEC poverty line according to a report on poverty and the social report on poverty and the social A major conclusion is that ing bardship, security system in Northern the UK's social security system "It makes no penalises Northern Ireland the people from Ireland publisbed yesterday.

of 1,000 bomes in Belfast, coning 21 American states. Millions of oaks have been cludes that Northern Ireland is cludes that Northern Ireland is are exactly the points where the poorest region in the UK. Northern Ireland bouseholds are It lists the ageing population of in most difficulty because of the report suggests the intro the city, unemployment, sickness, low wages and single parenthood as the main contribution of the comprehensive more unemployment and fuel benefit advocated by the parenthood as the main contribution of the comprehensive more unemployment and fuel benefit advocated by the slightly bigger families, it says. British Supplementary Benefits Regulations covering imports of timber have been tightened up since the spread of Dutch Elm disease. Port authorities bave to check imports and the timber bas to be barkless and butory factors.

The Belfast Welfare Rights kill project took 14 months to pre- changes in the UK system as a with wide powers to handle pare the report which was whole and Northern Ireland MPs arrears.

National's service to Miami departs from

Heathrow at 11.15 a.m. every day, arriving in

as part of the European Social Action Programme.

The report, based on a survey most. The system's weakest employed, familles and fuel -

says the report. The present "unco-ordinated structure" of debt collecting in the province was causing grow-

"It makes no sense to exclude people from rebates and discounts if they are in arrears and cannot afford to enter into voluntary agreements to pay them off." To prevent the debt growing

"Poverty in the region can- Commission. It also proposes : not be dealt with without new body in Northern Ireland Catch the Miami sun daily.

cities such as New Orleans, Los Angeles, San

Francisco, Seattle - even to San Juan in the

the Florida sun at 15.25. Caribbean. Reserve a seat 21 days in advance, stay in You II step straight out into National's own terminal where our own US customs staff will the States between one and 25 weeks and you speed you through. To your hotel if you're staycan get our £247 Super Apex return fare. ing put in Miami. To your on-the-spot connec-Or, turn up on the day. If there's a seat, it's tions if you've business to do in any of the yours - with our £105 stand-by fare. other US cities on our routes. (We even have a special \$99 unlimited mileage fare.) All flights depart from the same terminal. The time-table shows you just how quick LONDON and easy it is to fly National From Miami to depart11.15 MAIM arrive 15.25 arrive 18.12* arrive 19.43° SAN JUAN arrive 19.51 HOUSTON arrive 20.17* **LAS VEGAS**



Fly National Afrlines.
America's warmest welcome National Airlines is incorporated in the state of Florida, USA.

tive. Pict, which has already partielpated in the drilling of 24 due to come on stream in 1981. British National Oil Corporaelpated in the drilling of 24 tion, the operator; bas awarded wells in the North Sea, said that it would be involved in at least Sphere Environmental Consultthree further wells this year. ants, which will also look at the Mr. Ewan Brown of Noble effect of development on Grossart, the managers of Pict, commercial fishing in the Moray

Deloitte Haskins links

with Swiss accountants

accounting firm, is joining forces Ofor staff.

said at Pict's annual meeting Firth.

position in the Swiss accountancy services market, which is major Enropean firms and the one of the most attractive in big international accounting Europe outside the EEC. Beloitte already bas about 50 a number of countries, including staff of its own in Switzerland. Germany and France.

DELOITTE HASKINS and Sells, It is planned that these will the UK and international gradually integrate with the 140

with Fiduciaire Ofor, the big
Swiss accounting firm, which
until recently was associated
with Touche Ross:

Off start.

The arrangement is thought
to be one of the first of several
new alignments in the European
accountancy profession expected with Touche Ross; accountancy profession expected to emerge in the next year.

Two top aviation brokers defect from Bowring

BY JOHN MOORE

Marsh and McLennan Com-panies Inc. of the U.S., the senior. insurance

TWO TOP aviation insurance brokers bave left C. T. Bowring and Co. to join a rival firm of brokers, Leslie and Godwin.

Their departure from Bowring is the first major staff defection after the unwelcome f237m bld for the firm from broker of satellite insurance business but Mr. Bolton is more

Feature, Page 13

Continental furniture makes £219,000

centry Flemish ebony and tortoiseshell cabinet on a stand. By repute the cabinet was given Charles II to Sir Robert

SALEROOM BY PAMELA JUDGE

Viner, Lord Mayor of London in 1674. The items in the sale from the Henry Vyner settlement, removed from Fountains Hall, Ripon, totalled £34,085.

Record

Wagner, Vienna, gave £8,500 for a pair of Italian figured walnut commodes. Firouzan paid £6,500 for a Brussels tapestry and a private Belgian collector £5,600 for a Boulle bur an mazarin. Fans fold at Christie's South Kensington made £15,873 with an English trompe Foeul version from about 1775 making £700. about 1775 making 2700.

CONTINENTAL FURNITURE export porcelain sold by the at Christie's yesterday made same house in New York on £219,640. The highest price, nearly twice the pre-sale estimate, was £11,000 for a 17th delphia dealer gave a record centry Flemish ebony and Makers," by Howard Pyle.

Bonhams in London yesterday put a collection of European oil paintings nuder the hammer to the sum of £100,543. A landscape by Henry John Bodding-ton fetched £7,500, "The Play-ful Kitten," by Thomas Faed, made £4,800, and an Italianate landscape by Theodor Schuz

English ceramics made £37,042 at Sotheby's Belgravia. The highest price was £1,850 for a Royal Worcester Dessert service, followed by £1,300 for a Royal Worrester tea act and £1,200 for a Coalport dessert

Porcelain,

Porcelain sold by Sotheby's in New York on Wednesday included a recumbent elephant tureen and stand at £11,454, and Chinese export large candlestick figures of Court ladies at £5,727. The total for the porcelain was Americana and Chinese £70,661.

Second Gatwick terminal 'essential for the nation'

A SECOND pasenger terminal at aGtwick Airport is essential for the proper provision of an efficient airport system to serve the London area and the nation generally, the chairman of the British Airports Authority told a public inquiry at Crawley yesterday.

Mr. Norman Payne described Gatwick as one of the fastest growing major international airports in the world and added:
"This trend is forecast to con-

tinue in the 1980s.

He was giving evidence on the third day of the inquiry into the BAA's plans for a second ter-minal and expansion of tha cargo-maintenance area at Gat-

Opening the case for the BAA, Lord Silsoe, QC, said a second terminal was needed to meet

sengers a year. Surrey, West Sussex and East Sussex County Councils, and amenity and conservation bodies are objecting to the proposals. Mr. Payne said the BAA shared the Government's view that a significant transfer of scheduled air services from Heathrow to Gatwick was essential if an efficient and acceptable aervice were to be provided at the London airports for airlines and their passengers.

It was encouraging airlines to transfer, with landing fees at Gatwick about 40 per cent lower than at Heathrow. This disparity would increase.

Mr. Payna said: "Despite the

removal of government directives to airlines, I am confident that certain of them will wish expected growth in air traffic to voluntarily transfer some and would increase the airport's their operations to Gatwick." to voluntarily transfer some of

Doctors oppose Corrie BY ROBIN PAULEY

ABOUT two-thirds of Britain's professors of obstetrics and reduction in time limit for gynaecology are protesting

A letter in today's Lancet by
72 doctors, led by Dame Josephine Barnes, president of the
British Medical Association,
Signatories include Prof. Sir warns of danger of septic abor-tions becoming "the scourge of the country " again if the amend-ment is passed.

Another the presidents of four other royal colleges

THE NUMBER of company was a 13 per cent drop in liqui-bankruptcies in the UK rose significantly in the final quarter figure since 1974

liquidations were down, accord-seasonally adjusted, while the lng to the latest figures from tha Department of Trade. There 802 to 944.

abortions to 24 weeks, but say 20 weeks is too early. against the proposed Corrie

The abuses of the Act bad been
eliminated. The Corrie amend-

The doctors would accept

Douglas Black, president of the Royal College of Physicians, and

Rise in number of bankruptcies

significantly in the final quarter of 1979 to the highest level for last year by a tenth to 3,498 the 12 months, with company liquidations also on the

The bankruptcy total declined

less than half of the totals recorded for both 1975 and 1976. In the fourth quarter, liqui-But, for the full year, both dations rose from 1,060 in the bankruptcles and company previous three months to 1,182,

Throw **SDLP out** of talks, says MP

THE ACRIMONIOUS verbal exchanges between Unionists and Catholic party leaders, which have gone on around the constitutional talks on Northern Ireland for the past few days, continued yesterday, with the Rev. Robert Bradford, Official Unionist MP for South Belfast, calling for the main Catholic party, the SDLP, to be thrown out of the second set of parallel out of the second set of parallel

These, unlike the main con-ference, are aimed at discussing questions, of security and the Irish dimension.
Mr. Bradford made his

demand because of remarks attributed to the SDLP leaders which cast aspersions on the impartiality of the Ulster Defence Regiment (UDR).

The Official Unionists which, with five Westminster MPs, is

the largest Unionist party, has declined to attend either the primary conference which aims to find a way of restoring political structures to Northern Ireland or the second set of

Questions of security came up and it seems that after the talks some SDLP members said they. did not think the UDR was an impartial force.

The UDR regiment is about

visional IRA gunmen. Mr.
Bradford sald he did not think that aoy British politiciao should accept criticism of the UDR, given the regiment's record of casualties,

Government policies unlikely to cut inflation-report

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

has little chance of succeeding in reducing the rate of inflation and in promoting growth in the UK over the next five years, the Economist Intelligence Unit argues in its latest medium-term assessment published today.

The report, entitled The UK Economy in the 1980s, suggests that, if present policies continue, the rate of growth of total output will be only 0.6 per cent a year between 1979 and 1984, the current account will be in small the new Government's policies and the years after 1984 look even more difficult."

The Economist Intelligence Unit argues that this outlook is recently presented by Treasury Ministers and it is likely to more than offset the incentiva effects of the Government's "supply side" policies aimed at boosting incentives.

This analysis is based on the use of the Treasury's forecasting model of the economy which is So far, only the SDLP is available to outsiders and now attending the parallel talks includes a detailed monetary which started on Wednesday.

The gloomy conclusions of the report are broadly in line with other medium-term assessments recently produced by conven-9,000 strong with around 2,000 full-time members. It is mostly made up of Protestants.

However, it has taken heavy casualties as UDR men bave become prime targets of Problems of Problem

CURRENT Government policy trolling wage inflation and a policy of import controls on manufactured goods.

> The Economist Intelligence The Economist Intelligence Unit believes that aome form of incomea restraint is the most likely outcome. "This would allow the Government a low inflation, tax-cutting run-up to the next election. However, if the incomes policy breaks down, as past experience suggests is probable, then the UK economy will

The report claims that "a policy of import controls could hring sustainable long-term benefits by protecting UK industry from foreign competition and by allowing reasonable growth without all the inflationary consequences of devaluation. There is, of course, the danger of retaliation and the particular problems relating to UK membership of the EEC. However, if foreign goods continue to penetrate the home market at the rates experienced recently, then import controls recently, then import controls may indeed be the only way of preserving domestic manufac-turing industry."

Other economists would disagree strongly with this analysis and argue that general import controls would have a significant adverse impact on the inflation rate and would hold back attempts to increase industrial efficiency.

, "The UK Economy in the 1980s," published by the alternative policy approaches— St. Jomes's Place, London'SWIA another direct attempt at con- 1NT, price £250.

New plans for British Caledonian

By Michael Donne, Aerospace Correspondent

BRITISH CALEDONIAN has asked the Civil Aviation Authority for five more routes between Gatwick and the U.S. The routes ara to Minneapolis/ St. Paul, San Juan (Puerto Rico). Miami, Orlando and Tampa.

The airline says it will Intro-duce cheap fares un ail the routes, if it is given the licences. Mr. Alastair Pugh, managing director, says that British Caledonian expects Miami to be upgraded to "dual designation" status—served by two airlines from each country—as a result of a review of the Anglo-U.S. Bermuda Two air agreement.

The airline also believes that San Juan and Orlando will be designated as new gateways to the U.S. from the UK.

The U.S. Civil Aeronantics Board has already said it intends to make Minneapolis/St. Paul a gateway on the U.S. side "and B.Cal is bidding for a licence to operate the British reciprocal

Mr. Pugh said that British Caledonian would offer fares up-to 60 per cent less than current economy-class levels, as it does on its route to Houston.

The airline is also planning a new service to Atlanta, Georgia, in June, and services to Dallas/
Fort Worth. It also has rights from the UK to fly to St. Louis and Denver, but permission to operata these services is still awaited from the U.S.

 British Caledonian has intro-duced a cheap £49.50 return fare on a restricted number of flights between Gatwick and Brussels, Amsterdam and Rotterdam. Return travel may not be made before midnight on the Saturday following the day of outward departure. The new rate is about half the normal economy-class

Customs work hit by staff shortages

recruitment difficulties during the 1978-79 financial year meant that Customs and Excise depart-

that Costoms and excess departments had difficulty in meeting all demands placed upon it.

Recruitment of executive staff was particularly difficult and, according to the department's report for the year, published yesterday, 25 per cent of resignations in that grade were trained computer staff who took trained computer staff who took up commercial computer appointments. This inhibited the extension of computer ser-vices and restricted the introduction of changes to existing

The department had a staff of 28.870 at the end of the financial year, The current drive for Civil Service expenditure cuts may lead to a reduction in staff and in some less essential tasks.
This might mean fewer checks on VAT centres and on some

One result for traders has been that processing of forms has been slower. The department said yesterday that traders should try to give early notice of requests for any Customs and Excise facilities required.

Customs and Excise receipts for the year increased by 12.1 per cent to £13.8bn, which repre-

increase in the overall level of prices. In September last year 1,292,300 people were registered

Car tax

Receipts from car tax-increased by £94.8m to £380.6m,

| CUSTOMS AND E | EXCISE REVEN | JE £m |
|----------------------------------|-------------------------|-----------------|
| | 1978-79 | 1977-78 |
| Value added tax | 4,837.5 | 4,234,8 |
| Hydrocarbon oil | 2,469.4 | 2,460.0 |
| Tobacco products | 2,449.4 | 2,0\$7.6 |
| Alcoholic drink | 2,338,5 | 2,042.9 |
| Customs duties | 736,1 | 681.9 |
| Car tax | 380.6 | 285.8 |
| Betting and gaming | 338.6 | 320.5 |
| EEC agricultural levies | 230.3 | 178.2 |
| Other | 8.9 | 16.5 |
| Total | 13,789,3 | 12,298,2 |
| Less skipbuliders' relief* | 9.1 | 10.8 |
| Net total receipts | 13,780,2 | 12,287.4 |
| • Payable to UK Shipbuilders for | certain ships and oil r | igs constructed |

and delivered under contract. It represents a refund of son taxes which enter into construction costs.

indicating the increased demand for new cars. Fuel tax revenue was £2.5bn, about the same as the previous year. Consumption increased—petrol by 5.2 per cent, derv by 3 per cent and rebatable oil by 2 per cent. The previous year's figures were boosted by an increase of 5p per gallon on petrol from March

until August 1977. Revenue from tobacco rose 19 per cent to £2.5bn. The report says there has been an underlying increase in the use of

from the increase in real per sonal disposable income. Exports of whisky rose by 5 per cent to 100.3m proof gal-lons, a third of it going to the U.S., with Japan. France, Italy and West Germany the next

largest customers.

Betting and gaming produced duties of £338.6m, a rise of 5.6

British Customs officers seized drugs worth £40m during 1979. Nost of these were in transit to other Western European countries and the U.S.

The number of drugs seizures increased by 200 on the previous year to 1,749. Seizures of

tation was £219.6m or 1.59p for every £1 of net revenue.

The revenue from value added tax in 1978-79 was £4.8hn, an increase of 19.8 per cent. The income from spirits by an increase of 14.2 per cent. This reflected growth in real consumer expenditure and the increase in the overall level of prices. In face addition, and increase in the overall level of prices. In face additional account raised increase of 13.4 per cent. The income from beer duty was unchanged but receipts from wine rose by 15.8 and the U.S.

The number of drugs seizures increased by 200 on the previous year to 1,749. Seizures of heroin were in p by 260 per cent to 61.7 kg. Seizures of cocaine were up by 150 per cent to 27.2 kg.

House purchase study 'gives new incentive'

BY LORNE BARLING

The Government working party on demand as they currently now looking into the provision were in the U.S., Canada, and should provide an incentive for extending the sources of mortgage funding, Mr. Ronald King, port for new forms of fund president of the Housebuilders' raising hy societies. Such as Federation, said yesterday. now looking into the provision of bouse purchase finance, should provide an incentive for extending the sources of mort-

Mr. King, speaking in Bir-mingham, said be boped the report would offer more new ldeas about mortgage funding, and that he approved of the receotly published Stowe report from the Building Societies'

vessel named

depth thao is now possible.

raising hy societies, such as certificates of deposit, marketable bonds, and wider differentials on term sbares and large

Current mortgage problems were being exaggerated Longer-term prospects were by oc-means as gloomy as they were being painted.

Association.

Its recomendation for an early introduction of a "market clearing rate" competitive with strong demand for new private the rest of the money markets, houses, some 60,000 new mont-could ensure that in future gages per mooth were belog mortgages would be available advanced by huiking societies.

THE ROYAL Navy's seabed operational vessel under construction at Scotts Shipbuilders Co. Ltd., in Renfrewshire, Scotland, will be known as HMS per cent of the £753,000 the Challenger, the Ministry of Defence said yesterday.

It will be the seventh Royal Navy vessel to bear the name. The vessel will improve the Navy's ability to dive to, and operate on, the seabed. It will

Navy seabed | Suffolk paid for freeze damage

SUFFOLK County Council has received £685,000 toward cost of road damage caused by last year's severe winter, about 90 council asked from the Govern-

Mr. Stepben Ryder, the chair-man of the council's Planning and Transport Committee, said that Suffolk was the first county to benefit from Government be equipped to find, inspect and assistance. He confirmed that recover objects at much greater the balance would be paid by

More strike cover is sought by shipowners

By William Hall,

THE NUMBER of shipowners seeking insurance against strikes at ports around the world has increased sharply. In world has increased sharply, in 1978-79 simpping tonnage insured against strikes by The Strike Clab, the world's largest mutual strike insurance asso-ciation, jumped by nearly a third to 30.1m gross registered

Strikes can affect shipowners in at least three ways. Ships can be confined to port because of a stevedoring dispute or prevented from entering port after a strike because of con-gestion. Or the shipowners can be hit directly—when a ship's erew withdraws its labour.

The Strike Club. officially known as the Shipowners'
Mutual Strike Insurance Association (Bermuda) Limited,
was set up in 1957 to provide
specialist insurance cover
against strikes for shipping companies, mainly because the traditional insurance markets would not provide cover. In the past The Strike Club had been able to meet claims out of members latital insurance premiums but last year it had to call for extra money to cover claims on two of its four classes of insurance. This reflected the worsening strike experience at the world's ports.

By far the worst country for strikes in 1978-79 was Australia, which accounted for nearly two-thirds of all claims. The next two countries, Iran, followed by the UK, together accounted for another 29 per cent of total

The Australian disputes were, for the most part, short-lived. The most serious involved the Waterside Workers' Federation and arose from the re-negotiation of their triennial working

Australia has now taken over from the U.S. as the country with the worst port strike record. Only once io the last 33 years, in 1974, has there nol been a triennial strike of the East Coast Longshoremen of North America. But if the 1980 wage negotiations lead to a strike, the U.S. may resume ils top place.

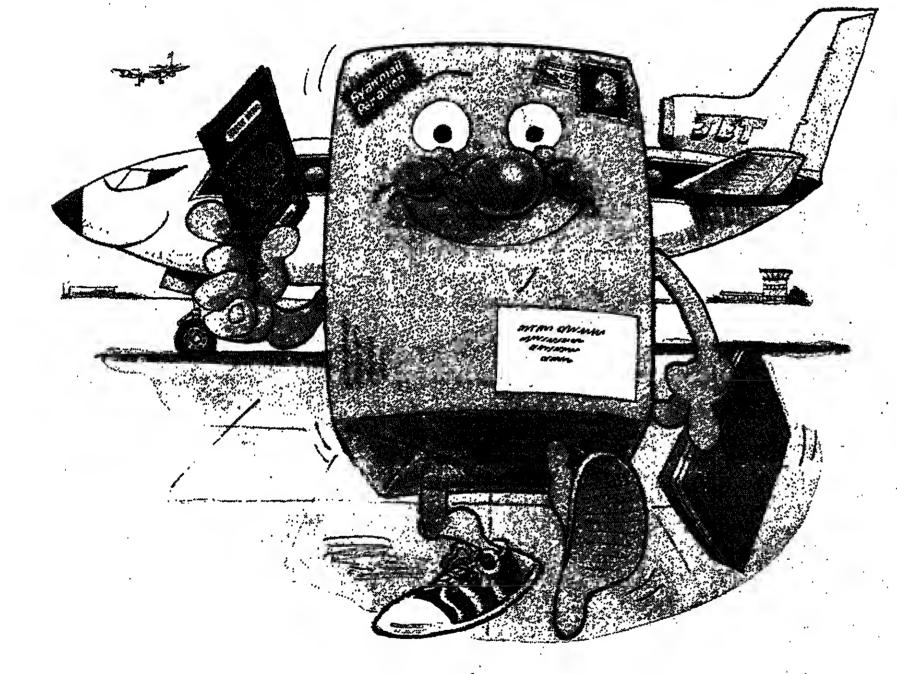
serious type of industrial action affecting shipping is strikes by stevedores—these accounted for 41 per cent last year.

Schools 'lag in technology'

By Michael Dixon.

THE Government was accused yesterday by the second big-gest teachers' union of shillysballying about preparing the education system for the repurcussions of micro-electronics.

"The Department of Industry is vigorously pressing the im-portance of micro-electronics while the Department of Edu-cation is afflicted by total in-ertia," said the 120,000-member National Association of Schoolmasters and Union of Wnmen Teachers, which said impeding changes could reduce reference the balance would be paid by books to the "status of primitive the Government in due course. information facilities."



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Life's a lot easier when you export through the Royal Mail.

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While others were assessing the damage, we were paying

On the morning of January 11th 1978, you might have been forgiven for mistaking the streets of Sheerness for Amsterdam or Venice.

After a night of near hurricane force winds and waves as high as houses, the East Kent coastline was, quite simply, blown to bits.

In the light of this thirty mile trail of devastation, it became clear to us at Commercial Union that there was only one way we could be of real help.

Not with tea and sympathy. Or vague promises of compensation.

But rather, by agreeing to claims immediately. On the spot.

Now, it's not every day you'll find us popping in on policy holders, with a view to popping a cheque in the post.

After all, like any other insurance company, every claim we deal with involves certain formalities.

There are details to be noted down. Policies to be checked out. Assessments to be made. And so on.

A process that can take anything from five minutes to five months. Or even longer.

Speaking for ourselves, we prefer to simplify the paperwork, for the sake of a speedy settlement.

Which is precisely how we coped with the mopping up of East Kent.

On January 12th, with the storm damage barely a day old, we set up an emergency claims centre in Canterbury.

Within two working days we had our own team of claims inspectors out and about on the waterways, personally totting up the cost of repairs.

In all, we paid out £115,000 from just one branch, to more than 400 policy holders.

So they could start rebuilding their lives, while others were still getting estimates.

We won't make a drama out of a crisis.

BL radiator plant bans foreign cars

By Arthur Smith, Midlands Correspondent

BL CARS workers and management at Lianelli Radiators plant, South Wales, bave united to ban foreign cars from the premises.
The office of Sir Michael
Edwardes, the BL chairman,
denied last night that it was
company policy to take such a stand against imported cars. Llanelli, lt aaid, bad decided to enforce a decision taken two years ago "within the com-pany's workers' participation

BL did not think the Llanelli would be counter-

"It is a matter for the individual plants to decide."

BL is mounting a "Buy British" campaign to improve its poor market performance. The company's share of UK car sales in the first 29 days of January fell to an all-time low

of 15.4 per cent.
Ford claimed 35.9 per cent of the market, which is close to record levels.

AN film contract to build a pithead complex oo the new Selby coalfield, in Yorkshire, bas been awarded to Fairclough Building (North east division), of Garforth. The project will take nearly four years and is corporation into two bodies; one, expected to create 150 new jobs. | wbolly State-owned, would con-

Labour 'may extend state role in BNOC'

THE GOVERNMENT'S plans tor reorganising British National Oil Corporation and involving involving private investment would be completely overturned if the Lahour Party were returned to power. Furthermore, a naw Lahour Government would probably extend BNOC's State influence in the

North Sea. This explicit warning was given yesterday by Dr. David Owen, Shadow Energy spokes-man who said that a Labour administration would readministration would re-nationalise BNOC, if the present Government went ahead with its "privatisation" proposals. It would also increase the corporation's existing powers and reduce the share of private companies.

"This is not being vindictive. It is political reality," said Dr. Owan in an interview with the Financial Times. "What is sauce for the gander. If you upset the present balance you cannot expect any future changes to bring you back to the sama point."

Mr. David Howell, Energy Secretary, is currently putting the finishing touches to his plans for BNOC. He bas indicated that these include the splitting of the

centrate on trading crude oil. bolders' interests.

The other would be involved in Tha Shadow Energy spokes exploration and production and, man contended that the Governperhaps at a later date, refining and marketing operations.

Mr. Howell has indicated that
this latter undertaking would involve a significant public holding. The Government is

expected to raise at least \$500m to \$850m from the sale of shares in the exploration/production arm of BNOC. In a few months time, Mr. Howell is expected to make another major North Sea policy statement, this time relating to tha rate of future UK oil pro-

Mr. Howell bas binted that the Government will try to extend the period of self-sufficiency in oil through the 1980s and early 1990s by imposing a limit on the maximum rate of North Sea production

Dr. Owen argued that there

was a strong link between depletion policies and tha future of BNOC. The corporation could exercise a strong influence on the speed with which UK oil reserves were exploited. How-ever, this influence could ba jeopardised if private sharebolding was invited into the corporation. BNOC mgbt be prevented from delaying production

ment should adopt a tough de-pletion policy, one which would allow a minimal amount of net exports. On the other band, it would be advisable for the Government to encourage offshore developers to instal additional reserve capacity which could be brought on stream in an emergancy, such as last year's interruption of Iranian supplies.

It was important for the Government to negotiate a de-pletion policy with the oil industry. In some fields, com-panies might find it difficult— for reasons associated with reservoir mechanics—to produce oil at levels much below tha maximum sustainable out-put. In other fields, it could be possible to produce oil at, say 70 to 80 per cent of the maximum level

Dr. Owen said that share-bolders in private companies, particularly small companies. might be unhappy at the pros-pect of oil production being curtailed. As a result, the Government should expect BNOC to allow its own equity production to be trimmed back in the national interest. This might be difficult with a "privatised" body.

Building societies' merger date set

THE Town and Country Build-ing Society and the Midshires Building Society are recom-mending a merger to their respective shareholders.

The marger is scheduled to take place on October 31. It has been approved in principle by the Chief Registrar of

Friendly Societies.

By the merger date, the new society—to be called the Town and Country—wil have assets in excess of £600m and more than

120 branch offices.
At present, Town and Country is based in the South, South-East and East Midlands. The Midshires operates predomi-nantly in the West Midlands and Wales. Chief executive of the new society will be Mr. Philip Court, present chief general manager of the Mid-

The two societies said in a statement yesterday that the merger would bring about "a degree of rationalisation" in branches involving six operating

The bead office of the new sociaty will be in London, with the main administrative head-quarters in Wolverhampton. duce revenues about one-third greater than the British Airquarters in Wolverhampton.

| Security charges may force air fare rises

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH and foreign airlines ports Authority'a own revenue serving UK airports have pro-tested to Mr. John Nott, Sec-retary for Trade, at the steep increases in security and other increases suffered by individual

From today, the security levy rises by 95 per cent to £1.60 for every departing passenger. That compares with a charge of only 20p a passenger in 1977.

The airlines, through the Board of Airline Representatives in the UK (Baruk) and tha International Air Transport Association's Users' Charges Committee, have proposed that the security levy be abolished "to protect the public who will ultimately have to bear the cost of this commercial ineptitude through increased fares."

In a letter to Mr. Nott, both Baruk and the UCC criticise also the increases in airport landing and aircraft parking charges, and en route navigation fees, payable from April 1.

The two organisations also claim that the Government's designent to finance the developdecision to finance the develop-ment of Stansted airport from revenues raised largely at Heathrow is "inequitable," Heathrow is

because most airlines using Heathrow will never use Stansted They claim the new charges imposed ou the airlines will proincreases suffered by individual

airlines. The airlines argue that all the new charges will collectively have a severe impact on Britain's overall economic position and contradict the Govern-

ment's own pressures for cheaper fares and cargo rates. Urging the Government to safeguard the air transport industry's financial position, the airlines call for an assurance that they will be given auto-matic rights to recover the increased charges through higher fares, if they wish-

Aiready, several UK airlines -including British Alrways-have asked for rises of between 12 and 30 per cent in domestic fares to meet the increased

charges.
The Department of Trade says the dearer security levy is necessary to ensure the service not only covers its costs, but also recoups a loss of about £5m incurred last year.
The security levy covers the

cost of higgage and body departing searches passengers at all UK airports It will be collected by the air-lines through increased fares, and passed to the Department

Record building by **New Town**

WARRINGTON New Town, in Cheshire, is planning its biggest ever development programme with plans to build more than 1.35m sq ft of office, factory and warehouse space in 1980/81.

Last year Warrington cubarked on a building programme of more than tm sq ft. Colocidentally, it will have completed lettings of a similar amount of space during the

This will bave been taken up by more than 50 companies, providing an extra 2,000 jobs in the area. The Warrington Development Corporation has now attracted a total of 150 cool-panies to the town.

Warrington is regarded as one of the most auccessful of the latest generation of New Towns. Mr. David Binns. general manager of the development corporation, said yes-terday that demand for space, particularly for small and medium size units, had re-mained strong despite record

interest rates. The number of inquiries for our advance-built accommodation and ground lease sites has never been greater." he said. "In line with Government policy we are funding an increasing proportion of nur building programme from the private sector."

SIR HERMANN BOND! BECOMES TOP ENERGY ADVISER

Call for greater technical innovation

SIR HERMANN BONDI, who quarters of 1978 and 1979, total schemes and demonstration protoday takes over as chairman energy consumption rose hy an jects.

of the Government's advisory alarming 5.2 per cent.

As could bardly have timed bis appointment, Sir Hermann, who appointment more effectively, retires this year as the Energy The new council bas only 14 Department's chiaf scientist. members, compared with the 25-man body which served for have to play "a very major the past five years. But with role" in Britain's short and energy prices still soaring, conservation remains a national

Yesterday's announcement of the make-up of the new advisory should not be conserved at all council by Mr. David Howell, costs"—he defices four key Energy Secretary, was given areas of Government activity.

added significance with the These are information release of the Department's monitoring the energy efficiency latest Energy Trends, Provior of products (standards are sional figures showed that already being applied to buildsional figures showed that already being applied to build. This is reflected, too, in the although there was only a minimal rise in Gross Domestic bills in its own large estate, and has been cut from 25 members Product between the third backing home insulation to 14. Sir Hermann was a

Interviewed on the eve of his stressed that conservation would long-term energy policies,

While cautions about how much the Government can dobe even says that "energy

These are information,

As a scientist, be is intrigued most by the possibilities for technical innovation, and believes that there is still a lot of work to be dona in devising electronic temperature controls, which are cheaper, smaller and more effective than those now

Sir Hermann's appointment also coincides with an apparent downgrading of the Government's role in conservation. The Conservatives put faith in mar-ket forces and efficiency rather than frugality, which was the keynote of Labour's "Save It" campaign,

member of the previous council, ehaired by Sir Willam Haw-However, be believes thorne. that the only area in which It definitely influenced Governhigher building insulation standards. ment policy was in encouraging

There is surprise in soma quarters that, in spite of its reduction in size, the council retains representatives of the power supply industries whose commitment to fuel conservation is bound to be tempered by their commercial interest in maximising sales.

However, this decision may be motivated by a need to conserve not fuel but money, since the supply industries have been giving the council useful secretarial and administrative

NEWS IN BRIEF

NCB awards £29.5m Selby contracts

bas awarded two of the first major contracts worth £29.5m for surface work at the Selby coalfield in Yorkshire,

French Kier Construction bas won an £18.5m contract for the main civil engineering work at the Gascoigne Wood Drift Mine site. An £11m contract to build a pithead complex has gone to Fairclough Building's north-east division.

The board is to spend £5m to drive more than a mile of tunnelling at Sberwood Colliery, near Mansfield. The tunnels will improve ventilation, cut travelling time to coal faces and allow 800 tonnes of coal an hour to be moved to the shaft

Facts about Britain about Britain-the Annual Ab- and double pneumonia. A week THE INDEPENDENT Broad-

jects covered include national insurance, retailing, balance of payments, national income and expenditure, and banking and prices. The abstract is available from Government booksbops, price £11.90 (postaga extra).

Road damage grant THE GOVERNMENT bas given Snffolk County Council £685,000 towards the cost of road damage

caused by last year's severe winter. This is about 90 per cent of the £753,000 for which the council asked. TV man dies

PAUL LANG, Thames Television's deputy head of sport, THE BASIC source of facts has died in bospital of pleurisy

THE NATIONAL Coal Board stract of Statistics, 1980 edition ago Thames TV's bead of sport bas awarded two of the first—is published today by the and ontside broadcast, Sam major contracts worth £29.5m Central Statistical Office. Sub-Leitch, died after a month's ill-

Mr. Lang, who was 33, joined Thames in 1978 from the BBC, where he had been editor of

Ban on cans

A PRIVATE members' Bill to outlaw beer and soft-drink cans with pull tabs will be intro-duced in the Commons next week. The Bill would also make it compulsory to put refundable deposits on drinks bottles. The measures aim to conserve energy, reduce waste, minimise litter, improve hygiene and "decrease the risks to life and limb of people and animals,"

Radio service

casting Authority is inviting applications for the contract to operate an independent luca radio service for the Bristol area. Closing date is in about 11 weeks.

THE NUMBER of private motor cars in Wales rose by 15,000 between 1968-78, according to The Welsh Economy in Figures published by Lloyds Bank. The number of unemployed in-creased from 35,600 to \$7,900, and there were 72,000 more women at work.

Port traffic drop

Welsh statistics

TRAFFIC THROUGH the Port of Sunderland fell by orore than 193,000 tonnes last year. Imports dropped by 26,077 tonnes to 519,019 tonnes and exports were down 167.644 tonnes to 263,813 tonnes.

APPOINTMENTS

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PETROMIN RIYADH SAUDI ARABIA

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would involve the person appointed in advising our

interest rates at an international level. The opportunity

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Interested candidates should send C.V. particulars to:

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In strictest confidence, please write to: PJG Rolandi, Chairman,



Alliance Management Consultants Limited,
Executive Selection Division,
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INCHCAPE (BERMUDA) LIMITED
U.S. \$35,000,000 & % CONVERTIBLE
GUARANTEED BONDS 1992

COMPANY NOTICES

The redemption instriment of USS2,003,000 due on March 1, 1980 has been partly met by purchases in the market to the nominal value of USS1,855,000 and by a draw by lot of bonds is the presence of a huissier to the nominal value of USS1,355,000, BONOS ORANYN

Nos. 8272 to 9708 inclusive cutoff of the presence of a huissier to the nominal value of USS1,35,000, BONOS ORANYN

Nos. 8272 to 9708 inclusive cutoff of the presence of t STECHES, 1961 and Succeedings Stacked, 1961 and Succeedings of redespotion and Bonts of repartment; at March 1, 1972 4984/88 - 5018/19 - 5083 - 5098/99, -5579 - 5399 - 5416/23 - 5430/37 - 542/448 - 5464 - 5478/79 - 3305/08 - 5619/21 - 5523/77 - 9695 - 572/24 - 9776 - 5780 - 5792 - 578/99 - 5964/577 - 5967 - 5969/579 - 5964/579 - 5969/579 - 5964/579 e1e3/12 - 6134/38.
The Fiscal Apent
AANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-OUCHE
DE LUXEMBOURG.

NOTICE IS HEREBY GIVEN that the principal Paying as secied office of the Principal Paying as Secied office of Charter

6% Guaranteed Bonds 1985 S.G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.\$1,200,000 due 1st March, 1980, has been met by purchases in the market to the cominal value of U.S.\$329,000 and by a drawing of Bonds to the nominal value of U.S.\$871,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as 4075 to 4084 4131 to 4139 4213 4214 4221 to 4254 4349 43611 to 4620 4821 to 4848 4851 to 5126 3959 to 4020 4175 4041 to 4057 4196 to 4200 4319 to 4328 4801 to 4816 4258 to 4267 4677 to 4597

On 1st March, 1980, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof together with accrued interest to said date at the office of:—

S.G. WARBURG & CO, LTD. 30, Gresham Street, London, EC2P 2EB. or one of the other paying agents named on the Bonds. Interest will cause to accrua no the Bonds called for redamption on and after 1st Merch, 1980, and Bonds so presented for payment must have attached all coupons maturing after that

U.S.\$5,900,000 nominal amount will remain outstanding after 1st March, 1980. The Bond No. 8541, drawn for redemption 1st March, 1977, has not yet been presented

The following Bonds drawn for the redemption dozon 1st March, 1979, remain outstanding:-11605 : 12662 : 12663 : 12668 30, Grastiam Street, London, EC2P 2EB 1st February, 1980

clients' staff at a senior level.

40-55

Pleasa apply: Jock Coutts Carser Plan Chichester House Chichester Rents Londen WC2A 1EG Tel: 01-242 5775

\$50,000

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967
MAJOR FABRICATIONA LIMITED
FORMATION LIMITED
FORMATION LIMITED
FORMATION LIMITED
FORMATION LIMITED
FORMATION LIMITED
NOTICE IS HEREAY GIVEN that the
Creditors of the above-nemed Company
am required on or before the 5th day
at merch 1980, to sand their names
and addresses and the particulars of
their debts or cleims, and the names
and addresses of their Solicitors if
any, to Keith Osvid Goodman, FCA,
of 3/4 Bentinck Street, London W1A
28A, the Liquidator of the seld Company,
and, if an required by notice in writing
from the seld Liquidator, are by their
Solicitors, or personally, to come in and
prove their exid debts er claims at such
time and place as shell be apacified
in such notice, or in delauft thereof
they will be excluded from the beaefix
of any detribution made before such
debts are proved.

Deted this 23th day of January 1980,
K. O. GOOOMAN, Liquidator.

THE COMPANIES ACTS 1948 TO 1987
LEA VALLEY PUBLICATIONS LIMITED
NOTICE IS HEREBY GIVEN, pursueat
to section 293 of the Companies Act
1948, that a Meeting of the Creditors
of the above-asmed Company will be
hald at 1 Wardrobe Pleas. Carter Lane,
London EC4V 5AJ. on Wednesdey, the
13th day of Fabruery 1980, at 12 accs,
(er the purposes mentioned in sections
294 and 295 et the seid Act.
Osted this 24th day of January 1990,
29 Order of the Seard,
P. BENTLEY, Director,

P. BENTLEY, Director.

THE COMPANIES ACTS 1948 TO 1967
AHE/REZADE LIMITED

NOTICE IS HERESY GIVEN that the
Creditors of the above-named Company
are required on or before the 5th day
of March 1980, to send their as mes
and addresses sad the particulars of
their debts or claims, ead the names
and eddresses of their Bolicitors if
siny, to Keith Cavid Goodman, FCA,
of 3/4 Bentinck Street, London WIA
3BA,the Liquidetor of the said Company,
end, if ao required by notice in writing
from the said Liquidator, are by their
Solicitors, or personally, to come in and
prove their said debts or claims at such
time and place as shall be specified
in euch potice, or in default thereof
they will be excluded from the banefit
of any distribution made before euch
debts are proved.

Osted this 24th day of January 1980.

K. O. GOODMAN, Liquidator.

IN THE MATTER OF
THE COMPANIES ACT, 1948
ANO IN THE MATTER OF
INTERAD LIMITED
Registared Office:
Cliffords Inn, Fester Lans, London, ECA
NOTICE IS HERBY GIVEN pursuemt
to Section 293 of the Companies Act,
1948, that a MEETING of the CREDITORS
of the above-named Company with be
hald at Wischester House, London Well,
London EC2 en 28th February 1980 at
11.30 a.m. for the purpose therefored in
Section 294 et asq of the said Act,
Oated this 28th day of January 1980.
By Order of the Beard,
J. BRAYSHER, Oirsctor.

British Gas WORKERS hold out BY MAURICE SAMUELSON THE METAL BOX can-making it produces about 4hn cans for the food trade and 2bn for for better offer

BY PHILIP BASSETT, LABOUR STAFF

Gas Corporation at between 13 not prepared in consider shorter and 16 per cent, but which the hours, unions involved claim is not worth more than 15 per cent.

Unions representing the 40.000 manual workers in the industry took away details of the offer for further consideration after it was tabled by the corporation last month.

Increases were proposed on basic rates, ranging from £7.65 a week for labourers to £11.37 for craftsmen, and on stand-by payments, as were improvements in hohday entitlements.

Workers' Uninn, which represents most manual workers in the industry, said yesterday, though, that after consultation with its members, the offer had been rejected.

national industrial officer for the gas industry, said that the offer was unacceptable. The offer on Monday to about 17 per unions' position will be made cent by anding a further £2.50 a clear to the curporation at week. Union negoriators have resumed pay talks tuday

working week, but the corpora- action.

Apart from an improvement in the overall offer, union negotiators feel that the curpuration will move on regional bonus

for another public sector group, the 33.000 manual workers in duce cans. It was therefore the water supply and sewerage opportunity of taking a week industry, which also resume 10workers' claim is a study com-The General and Municipal paring their pay to that in the orkers' Union, which represent as and electricity supply indus-

The size of the rejected gasworkers' offer had already fuelled water negotiators' de-termination to improve upon Mr. John Edmonds, GMWC the water authorities' offer of 13.1 per cent.

The authorities increased that not accepted the offer, though

The unions will press the core it was enough to take much of poration further today on their the heat out of any immediate rlaim for a reduction in the threats of damaging strike

Metal Box to lay off workers

workers at factories in its open-drinks. top division next week, because stocks of lin-plate have fallen facturers' Federation, however, nace linings. A few companies to a critically law level due to

the steel industry strike. At the Neath factory, in West Glantorgan, which manufac-GAS WORKERS have rejected tion made it plain when it made | tures can ends. about 1,000 a pay offer put by the British the original offer that it was workers with less than 15 years service will be laid off from Monday. The works has received no processed steel or aluminium for the past Inur weeks.

> Metal Bux said yesterday that it had received no supplies of tinplate since before Christmas. The gasworkers' rejection will | The effects of secondary pickethave a direct hearing on talks ing at Neath further hampered the company's ability to pro-Central to the water of their normal haliday entitlement before lay-nffs were implemented. The announcement could lead

> > tween the Neath plant's workers and pickets. The plant's trade union council said it would send drivers across the pickel line with lorries carrying linished products. This follows failure to gain

to a heightening of tension he-

dispensation fur the drivers despile a three day temporary exemption last week granted by Mr. Geurge Wright, Welsh regional secretary of the Trans-port and General Workers'

Metal Box supplies 70 per vent of the cans used in the British fond market, Each year

According to the Food Manucans to keep tinned food stocks working. at present levels for about a month. Mr. Barry Williams, deputy director general, said: "As far as the housewife is concerned there are plenty of products available. The only problem might arise when the strike is over, with the delays in

BY ROY HODSON

MAJOR steel users in Britain

are worried that the price of

British Steel Corporation

products-already up to 15 per

cent above roling European prices—could he forced up

even further to pay for a sel-

tlement with the steel unions.

man of the British Iron and

Steet Consumers' Conocil.

said yesterday after a council

for increases in British Steel

prices at present, British Steel recognises this. It is

In he hoped that everyone else

invalred in the steel dispute

Sir Richard March, chair-

getting production going again." Heinz, which relies on Metal Box for half its cans, said it was looking at the situation carefully "hut so far everything

reported in the clay refractories temperature bricks for steel furthere are enough supplies of have also introduced short-time

> ducers, Lord Denning's Appeal scuffles with police at the Court ruling in their favour parily State-owned Templeproduced only short-lived relief. Dunford Hadfields of Sheffield yesterday said it was dismayed hy the prediction of Sir Charles Villiers, BSC's chairman, that the dispute was likely to last day to prevent movement of for "weeks rather than days." Nevertheless, about 80 per returned to the Sheerness, Kent, cent of the 18,000 ISTC sleel factory in deliance of the members in the private steel ISTC's instruction to leave

Sir Richard warned that any

Increase in Brilish Steel

prices on the hame market

would lead to a further luss

in market share by the British and utlimately more joh

The seoior managers of

British Steel are already con-

sidering the hest strategy to

he adopted to revive the cor-poration's husiness after the

lu cul prices un some pri-

others to win back husiness

They would like to he able

The hig steel-using indus-

Dearer steel threat worries users

strike is uver.

The first lay-affs have been night, in compliance with Lord Denning's Appeal Court ruling, Most of the other 2,000 were in the Midlands. Picketing was generally more

peaceful yesterday than earlier in the week, although five Among some private steel pro- pickets were arrested after hornugh wurks. Rothetham. More than 300 flying pickets from Corby, Northants, converged on factories in towns throughout the Midlands yesterprivate steel industry were back at work last private factories alone.

want the British

Steel Corporation to continue

to he a sufficiently large and

wide-ranging organisation to

cater for British industry's

needs without a permanently higher level of steel imports.

that there must be no cut in

British Steel's already much

reduced investment pro-gramme as a result of any

settlement of the dispute. He

quoted the current investment

In the continuous casting of

bulk liquid steel as an example of the sort of modern

trehnology that the corpora-

tiun must continue to develop.

Sir Richard said yesterilay

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details of this interesting self-training method



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Engineers and managers' union settles with TUC

A HIGH COURT action brought by the Engineers and Managers expel the assuciation for Association over its threatened "refusal or failure" to comply expulsion from the TUC for with the decision, which was in refusing to accept a ruling in favour of TASS, the white an inter-union recruiting dispute collar section of the Amal-

and the TUC, and released them members at GEC Reactor from cross-undertakings given to the court in November, 1977. In November, 1977, the TUC Each side will pay its own costs. The association, which has

was discontinued yesterday.

Mr. lustice Foster approved terms agreed between the EMA gamated Union of Engineering Workers. The dispute arose out terms agreed between the EMA of association's moves to recruit

45,000 members, mainly in the suspend the association from elected by supply lodustry, had niemhership, or impose any sought a declaration that a other penalty, pending the hear-representation decision by a ing of the association's action. TUC disputes committee in The precise terms under which March, 1977, was unlawful and the action was discontinued were not disclosed in court.

APEX backs plans for Labour Party reform

APEX, one of the largest white- The day supported many reforms enlarged and divided into three for which MPs are expected to categories, APEX argues. One press in their evidence to the third of the seats would so to

and two on its executive, called for a major restructuring of the Parliamentary Laboor Party constituency party organisation rather than by the party' -which would virtually amount annual conference. This would to the Introduction of a primary give the Parliamentary party a system for the selection of candidates-and a radical reform offairs of the executive. of the NEC itself. It also urged the commission to examine evidence on the activities of the

collar unions affiliated to the muderate MPs in the Parliamen-Labour Party and a major con- sary Labour Party also believed tributor to party funds, yester- should he reformed, should he Party's commission of inquiry.
The union, which has 29 to regionally elected lay
Labour MPs among its members, activists. The remaining third would go to MPs elected by the

> union claims that " entryism " constitutes a major group, Militant challenge to the credibility of

Airfix 'will not move toy production abroad'

INDUSTRIES night assured union negotiators redundancy payments. She said for the Meccano workforce in the company dismissed sugges-Liverpool that it will not tions that it was trying to transfer toy production abroad.

A joint union management Airfix had offered three

A joint union - management working party holds its first months pay as a lump sum and meeting in Liverpool on Tues- a £150 top-up payment for day. The working party has the workers with more than 15 task of trying to find a buyer years' service at the plant. The for the Meccano factory before top-up has been increased and the end of the month:

betweeen the unioos and Airfix payments. management in London yesterment on the role of the after a two-month occupation working party. There had also by the workforce.

been ao improved offer on

workers with more than 15 the new figure will be revealed Mrs. Pat Turner, General and at a mass meeting of the 940 Municipal Workers Union workers on Monday called to national officer, said talks discuss the revised redundancy

Meccano management is now day had firmed up an agree- being allowed into the factory

Kent power station work may be wound down

BY OUR LABOUR STAFF

THE CENTRAL Electricity at the £560m Isle of Grain. Kent, power station.

The joint shop stewards' comclaims of wage leapfrogging at of the General the site which employs 1,600 Workers Union. manual workers. A statement paid to laggers, who insulate pipes and boilers, had not been taken as a pace-setter by the

Mr. Donald Parvin, a Boiler-Generating Board is to decide makers' Society shop steward during the next week whether and spokesman for the commilto order work to be wound down tee, said the lack of a joint liaison committee at the site had adversely affected industrial relations. Unions were mittee at Grain, in the Thames now prepared to work with largery, has denied CEGB largers who were non-members claims of the Control and Municipal of the General and Municipal

Mr. Frank Earl, GMWU yesterday said the honus rates national officer said yesterday the 27 laggers at the Isle of Grain site had not gone on strike at the site but instead had been laid off.

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UK NEWS — PARLIAMENT and POLITICS

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Government incentives to industry in Northern Ireland are recognised as being the most generous in the EEC, and the Northern Ireland Department of Commerce have indicated their willingness to negotiate with potential buyers. With such assistance the level of direct investment required can make the acquisition of such excellent facilities a very attractive proposition.

Further details can be obtained by writing or telephoning the Receiver, Mr W Ben Wilson, F. C.A. Ulcon Ltd. (In Receivership).

Cambane Industrial Estate,
Tandragee Road, Newry, Co. Down Northern Ireland,
Telephone: Newry (9693) 5231, Telex: 747007

or at Stokes Kennedy Crowley & Co., Chartered Accountants, 1/3 Donegali Square South, Belfast BT1 5LL, Northern Ireland. Telephone: Belfast (0232) 43377, Telex: 747805.

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capage of further government, Present turnever Olestamping and associated printing £120,000 p.s. Write Box G.5254, Finenciel Times, 10, Cennon Street, EC4P 4BY.

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SHARE CAPITAL of Manufacturing Com-plany recently having cassed triading, for sale after 5th April, 1980. Malor asset is immediately realisable cash tunds, Further particulars from Octoson, McFartane & Robinson, Charcered Accountants, 8 Claremont Terrace, Clas-gow G3 7KZ.

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Commons yesterday to the that the Government was con-Royal Commission's recommen-tions in the seventh report

Nevertheless, he promised Royal Commission's recommendations for more research and better control of pollution resulting from agriculture and the use of pesticides.

thous in the seventh report of the Royal Commission on Environmental Pollution.

Environmental Pollution.

Tory backbencher, she made an implied criticism of the Post Office decision to increase the first class postage from 10p to

for Government action was public spendiog did not always restricted by public-spending amount to waste. In this limits. A Government bad to instance, the recommendations establish "clear priorities" for could profince big savings for limited funds and bad to give farmers, the environment, the thought to the resource implica- public, and the country.

telephone tapping by the police cern that surveillance could be great care, Mr. Whitelaw said. A balance had to be struck hetween security and the need to protect individual rights.

conduct if personally and with

All tapping authorised by Whitelaw

and security services was pro-mised shortly by Mr. William authority or parliamentary safe-Whitelaw, Home Secretary.

A Home Office review was Lord Birkett's committee bad "I know how seriously my predecessor took this matter. I curreotly beind made of issues reported on the issue in 1957 raised in a recent High Court but it was time for a new public would like to assure you that so do I," he said. ase, he told MPs. inquiry and a full report to But Mr. Whitelaw, responding Parliament, said Mr. Cook

Mr. Whitelaw tolds MPs that a study was being made of the issues in the case of Malone vs. Commissioner of Police for the His demands were supported by Mr. Geoffrey Dickens (C. Haddersfield W) who said that people were "dreadfully wor-ried" by new surveillance tech-Metropolis. When the outcome of that

study was known be would report to the Commons on the A Bill to safeguard Individual rights should be considered, he question of whether legislation was neded to provide a statutory framework for official sur-Mr. Whitelaw refused to comment on the New Statesman report except to rebut its allega-tions of illegal telephone tap-

Mr. Merlyn Rees, former Labour Home Secretary, agreed that authority for telephone ping.
"The interception of postal tapping was given by the Home and telephone communications Secretary personally and "not done nominally." is a vital weapon in combatting serious crime, including drug smuggling and terrorism," he

And Mr. Alan Clark (C., Sutton) said surveillance was an essential element in the It was carried out by the Post Office on behalf of the police, customs and excise, and the broad spectrum of law enforcement"

Mr. David Steel, Liberal But Mr. Whitelaw stressed that it was done only on the authority of individual warrants leader, suggested that public concern was roused not by the fact that surveillance took place as much as the scale on which

Mr. Whitelaw replied that It had never been Government ment is carrying out exactly the same procedures in exactly the same way as its prepractice to give the number of cases involved. The Prime Minister later

rejected an invitation from Mr.

Clement Frend (L. Ely) to "tell the House exactly what is

There was effective political control of the security services

and effective ministerial control of telephone interceptions, she

geing nn" in Ebury Bridge Sheldun (Lab. Ashton under Road. Lyme) who demanded assur-ances that MPs' telephones ances were not being tapped. Mrs. Thatcher said there had been no change in the practice announced nuder the Wilson Replying to Mr. Robert Government



AUTHORITY: Mr. William Whitelaw leaves yesterday's

Unions' strike fund pressure

BY ELINOR GOODMAN

BY PHILIP RAWSTORNE

to political concern about a report yesterday of illegal tele-

report yesterday of megal tere-phone tapping by the security services assured MPs that no surveillance was being carried out without bis personal

authority.
Mrs. Margaret Thatcher later firmly declared: "There is effec-

tive political control over the

Security services."
The Home Secretary faced a

harrage of questions in the Commons after a report in the New Statesman identified an

office block in Ebury Bridge Road, Chelsea, as the Govern-meot's secret felephone tapping

According to the article, the

building was officially known as

the Equipment Development

But it claimed that compu-terised equipment located there

could be used to tap 1,000 tele-

phone lines simultaneously, and

had direct links with MIS and

monitoring operations went on without the authority of indivi-

dual warrants from the Home

Mr. Robin Cook (Lah. Edin-

burgh Central) said that the report bad caused a "sense of widespread outrage."

report alleged that

Division of the Post-Office.

headquarters

Secretary.

A COMMONS statement on There was great public con-

niques.

told MPs.

security services.

signed by himself.

decessors always have."

"I want to make it clear," he added, "that this Govern-

The Home Secretary had

been given responsibility in the

national interest and had to

voluntary persuasion in the first problems. instance, rather than the law, as contribute more of their own financially penalised because funds towards supporting they were not getting any money members on strike.

One idea now circulating in Whitehall is that the umons some kind of hardship clause, should be informed of the Nevertheless, some Ministers Government's determination to argue that it must be possible make unions pay more towards helping those members involved

to the unions that, unless they themselves took steps to ensure

Studies by the departments would expect trade unions who involved have so far iodicated brought out their members on very considerable problems surrounding the party's manifesto keep. promise to ensure that unions bear their fair share of the cost supporting members on strike.

The manifesto was not specific about how this should be done, hut the expectation was that the Government would try to work out some formula under which

benefit claims heing made by steel strikers whose unions are not paying them strike benefit the Employment Minister, said has intensified the Government's that the Government believed search for a solution. But, as that there should be guidance Mrs. Thatcher made clear on on the number of pickets in-

THE Government may try to use ing" idea is fraught with

Non-union members affected way of making unions by a strike could end up heing from a union.

There would also have to be to find a solution, and that, in the meantime, maximum pressure should be put on the unions in strike action.

Ministers would make it clear to start paying out more benefit voluntarily.

themselves took steps to ensure that members of wealthy unions the Prime Minister appeared to were not left to rely un state assistance when un strike, then the Government would have to cut the legal entitlement of that, though the Government strikers' families to supplement ary benefit.

Studies by the departments would expect trade unions who

At question time, Mrs. Thatcher also emphasised that the Government had no intention of taking any action to deal with secondary picketing, other than the proposals in the Employment Bill now going through the Hoose.

strikers would have been "deemed" to have received strike pay for the purpose of calculating the entitlement for henefits, even if they had received nothing from the union immunities, as the Employment ceived nothing from the union, immunities, as the Employment Reports of supplementary Secretary had promised on television on Wednesday night. In the Lords, Earl Gowrie,

television shortly after Christ-cluded in any guidelines follow-mas, the Government's "deem-ing the employment legislation.

Labour detects policy shift on EEC budget BY JOHN HUNT AND IVOR OWEN

THE PRIME MINISTER found meeting herself in increasing difficulties Although the leaders of the in the Commons yesterday over Community her attempts to get a massive towards Britain's position she reduction in Britain's £1bn annual hudget contribution to that they are not moving far the EEC. enough Mrs. Thatcher's claim that liking."

the European Community is "moving towards our position" en the hadget, was greeted with hoots of derisive laughter from the apposition,

Mr. James Callaghan, Opposition leader, took full advantage of her discomfort and repeatedly challenged her to say whether she had modified her position since her tough pronouncement hefore the Dublin summit.

Demand

week with Sig. Francesco Cossiga: the Italian Prime Minister and current President nf the European Council. This There were more opposition had dashed any hope of an taunts as Mr. Peter Templeemergency EEC meeting to discuss Britain's hudget demand.

raised at the next scheduled behind ber in her Budget stand. summit in March.

Mr. Robert Parry, (Lab., Liverpool, Scotland Exchange) described the meeting with Sig. Gossiga as "farcical." He warned the Prime Minister that her stand a if, as a result, she had to make European warned the Prime Minister that her stand at Dublin, some of her if, as a result, she had to make European colleagues had even higger cuts in Government emerged from the discussions spending she was beading "for the higgest confrontation with the trade union movement and accused of "an appalling re-the Labour movement since treat" in hacking down from the Labour movement since

sbe could not accept that tribution to the EEC hudget by sinle council meeting did not premise. In no way had the Mr. Peter Shore, Labour's justify talk of a great retreat.

been disasterous, shadnw Foreign Secretary, were moving "made it perfectly clear enough or fast enough for my

Mr. Callaghan said that he hoped she was right in her assertion. But he suspected that it was truer to say that we were moving towards the EEC

He wondered if she had departed from her earlier insistance that there should be a broad balance in Britain's EEC contributions and receipts. The Prime Minister daggedly retorted that she stuck to what she bad said in the House

following the Dublin summit. 'We seek a genuine compromise The questioning followed but we have very little room.

Mrs. Thatcher's meeting this for manoeuvre." She bad made hut we have very little room it clear at Dublin that the UK would not be "paimed off with

Metris (C. Leominster) tried to come to the Prime Minister's rescue with the suggestion that The matter is likely to be the whole country was entirely He thought her task would be easier if she received a little support from the opposition.

Mrs. Thatcher agreed and assured him that as a result of

"a lot more sbaken than I was."

Amid Opposition cheers, he described it as "one of the most public humiliations that we have seen for a very loog time."

Mr. Shore maintained that the failure to arrange a special EEC summit in February to resolve the issue meant that British taxpayers were likely to be faced with fibn additional public expenditure in the

coming financial year. It was presumably to avoid this dilemma, he said, that Mrs. Thatcher originally slipulated that arrangements to achieve a hrnad halance between Britain's contributions and receipts should be agreed "no later" than the EEC Dublin summit at

the end of November. Mr. Shore suggested that the full extent of the Prime Minister's retrat and humiliation had been made all the more obvious by a statement by Sir Seal, indicating that Britain's budgetary problem was not a firm item on the agenda for the meeting of the EEC Finance

Council to be beld on February Dealing with the business likely to be on the Council's agenda, Sir Ian had earlier told MPs: "There may be some discussion on ways in which. Community expenditure in the

UK could be increased."

Mr. Shore stormed. "There may be some discussion-what has happened to all those bold The Prime Minister was and brave pronouocements by the Prime Minister?"

Sir Ian retorted that the fact her original demands for a that the budget issue did not Mrs. Thatcher told him that reduction in Britain's net con- appear on the agenda of every

Farm research limit

BY JOHN HUNT

THE GOVERNMENT took a tions of the proposals. cautious attitude in the

Mr. Tom King, Environment From the Labour front beach, Minister, binted that the scope Mr. Gordon Oakes said that

THE Prime Minister indicated ment has no present plans for in the Commons yesterday that removing the monopoly eventually she would like to see although some Tory backthe removal of the Post Office monopoly of the delivery and

12p on Monday. She also had harsh words for

Despite the strong terms used by Mrs. Thatcher, the Govern- monopoly.

the monopoly exercised by some nationalised industries.

munity." He said he had no indications

private tender.

'Remove post monopoly'

tion should be thrown npen to statutory obligation to deliver

Barlow, chairman of the Post

On Wednesday Sir William

At the sametime, however, he indicated that the twice-daily delivery in towns and cities might benchers have repeatedly urged have to go and thet the Post that mail delivery and collec- Office would like to abandon the

to every door.
Mr. Robert McCrindle (Con.

Brentwood end Ongar) yester-Office, told a Commons select day pointed ont to Mrs. Thatcher committee that the ending of that there was no mnopoly in the postal monopoly would bring the collection and delivery of newspapers and parcels. He "net dis-benefit to the com-newspapers and perceis. He conity." sidered if there remained a jusfrom the Government that it tification for the monopoly in was considering a breach of the collection and delivery of

Social democrats pick 11 Left-wing targets BY ELINOR GOODMAN, LOBBY STAFF

ELEVEN leading Left-wing MPs Mr. Anthony Wedgwood Benn on Labour's ntaional executive and Mr. Eric Heffer. 1,200 members and a handful it has claimed to be trying to Militant Tendency, has already of affiliated organisations—all reform from within. Challeng-ambarrassed maderate MPs by

on Labour's ntaional executive will be challenged at the next election by candidates claiming to represent the true voice of Labour Party over extremism—no links with any nationally known politician but they continues to increase its influence of amulated organizations—and ones set up to challenge official local Labour parties. They have no links with any nationally known politician but they continues to increase its influence of an increase its influence of an increase in the Labour party. eoce in the Labour party.

The challeoge came yesterday put up their own candidates it could split the Labour vote and

from their local Labour parties, setting up an organisation to or are in the process of being propagate the best traditions of Gaitskellite social demoexpelled.

The alliance said it was preparing a list of candidates who would be prepared to fight "extreme Left wingers" if the

Among those they said they

The organisers made it clear that they would like the alliance to become a refnge for moderate Lahour MPs ousted by Left-wingers in their local party.

were responding to a "groundswell of opinion at the grass As far as they were concerned, the breaking point with the Labour Party would come if the Left won the argument over all the constitutional

In declaring its readiness to put up candidates of its own, the alliance effectively took itself beyond the pale of the would oppose in elections were allience can only claim about Labour Party which until now report on infiltration by the supporters.

reform from within. Challenging official Labour candidates is a breach of the Party rules which the extreme Left-wing Militant Tendency—the object of much of the SDA's venom has been careful to avoid. The challenge also makes it even more difficult for any Lebour MP to publicly ally

themselves with the group. Most moderate Labour MPs would argue that the SDA is an irrelevancy. Nevertheless, some semior Labour politicians share its fear that the Left will end up splitting the party in two. ...

Militant Tendency, has ancomy embarrassed moderate MPs hy committing the cardinal sin at the last Election of urging Labour supporters not to vote for certain Left-wang candidates, under the Labour banner. ... Though yesterday the nrganisers were equivocal about whether they were stiting out

to start a new party, their litera-ture made it clear that their recruitment drive was aimed outside the Labour ranks. Membership of thet Labour Party is no longer a condition of membership and their "state-

appeal to as many Turies as it dence used in Lord Underhill's would to traditional Labour

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Left tightened its grip on the

from the Right-wing Social help Tories get elected.

Democratic Alliance which was The alliance also produced founded by former Labour "a statement of aims" and councillors who have either split announced its intention of

For the moment, however, the

reforms being considered by the party.

The alliance, which claims to ment of aims " would have produced much of the evi-



EDITED BY CHRISTOPHER LORENZ

John Moore in London, and David Lascelles in New York, report on the background to Marsh and McLennan's bid for C. T. Bowring

The American foot in Lloyd's door

ع كذا من الإصا

Belfast on the River Thames last July, a serious domestic drama was being played out behind the scenes between their joint husts, C. T. Bowring and Co. and Marsh and McLennan of the U.S., two of the world'a most important insurance brokers.

The guests had been invited to a limen by Bowring and Marsh to mark their joint participation in sponsoring some of the effort for the Transglobe Expedition, headed by Sir Randph Twistleton-Wykeham Figures. It seemed to be the only outward sign that the two insurance brokers were indeed attempting to accomplish a

Breakdown

Barely six weeks earlier it bad become apparent that a planned profit-sharing link-up of the two groups was not going to work because of the cumber-some tax, regulatory and legal problems—although discussions had been in progress for nearly

When the plans for a profitsharing arrangement were abandoned at the end of May last veer discussions continued; a number of possible structures for a formal transaction, including that of a merger, or a limited merger, with Marsh of Bowring's insurance broking in-

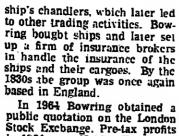
rests were examined. The breakdown of the talks cortly before Christmas shortly prompted Marsh to come forward with its £237m bid which is now being so fiercely resisted by Bowring.

The issue is simple: Marsh wants to run Bowring and bas the muscle to do so. Bowring, for its part, is even prepared to put at risk a 73-year-old business relationship with Marsh to remain independent and retain its identity. This could be some sacrifice for Marsh produces up to a fifth of Bowring's insurance broking volumes.

Tha collision of Marsb, the world's largest insurance broker, with C. T. Bowring was almost inevitable and owes much to the differences in temperament of the two groups' manage-

Bowring began as a family concern in 1803 when Benjamin Bowring opened a shop in Exeter as a watchmaker, silversmith, jeweller and engraver, The group bas tried to cultivate and sustain its cosy familyimage ever since, although Bowring's family interests probably

- 143 - 754



Stock Exchange. Pre-tax profits in 1964 were £2.16m. The group had a total staff of around 3,000. In the last reported financial year for 1978 Bowring declared pre-tax profits of £38.6m and the number on the payroll stood at

Inaurance broking bas been Bowring's principal earner for years although the group's activities encompass banking (Singer and Friedlander), credit finance (Bowmaker), shipping and engineering. The group also owns three insurance companies and has extensive underwriting interests at Lloyd's of insurance establishment.

Bowring's insurance broking operations are much smaller than Marsh's; Marsh's carnings from broking commissions and fees are about trehle that of Bowring's.

Against this disparity in the size of the two groups—Bowring ranks seventh in the world league of insurance brokers with Marsh in top place-run the various aspirations of the Bowring Board. Peter Bowring, 56, a descendant of the founder, chairs that Board, which has always been headed by a member of the Bowring family. He has progressed to the top of the group via general trading activities (which contributed £1.2m to total profits in 1978) and has held the position of chairman since May, 1978.

Autonomy

Group managing director is Gilbert Cooke, who had spent most of his career with Bowmaker, the credit finance company which was acquired by Bowring lo 1969. Bowmaker Bowring lo 1969. Bowmaker contributed around £10.5m to profits in 1978. Ivor Binney, 50, heads the insurance operations which contributed around £26m to profits in 1978. Binney after doing his National Service started with the group as a clerk in 1950 in one of the insurance departments, and has only represent around 11 per steadily risen through the ranks.

He is a member of the Lloyd's The founder later moved to of London committee and was



John M. Regan Jr (loft): Heading the "megabroker" that originates one-tenth of all the business that reaches Lloyds, and Peter Bowring: trying to sustain a cosy family image

| MARSH & McLENNAN COMPA | NIES, INC. | |
|---|-----------------------|-------------------|
| | \$00 | 00 |
| Total insurance brokerage Employee benefits consulting | 1978 325.8 95.4 | 1977 289 85 |
| Investment management Other services | 24.0 8.4 | 23.2 8.2 |
| Interest income on fiduciary funds Total operating revenue | 21.A 47\$ | 72.7 418 |
| Operating expenses: Compensation and employee benefits Other operating expenses | 235.1 110 | 205.5 97.3 |
| Total operating expenses | 345 | 302.8 |
| Operating income | 130 | 115.2 |
| Total other income | 18.2 | 12.2 |
| Pre-tax profit Provision for income taxes | 148 79.8 | 127.4 71 |
| Net income | 68.2 | 56.4 |

talks with Marsh and McLennan In June 1978.
The remainder of the board

is a mixture of family interests and representatives from the group's other activities. Each operating subsidiary has a large degree of autonomy and answers to the parent on such Issues as resources, acquisitions or merger policles, and large items resources, of capital expenditure.

The insurance interests on the board believe in the principle of establishing closer links with the U.S. market-where 50 per cent of the world's insurance premiums are generated -through a formal relationship with a large U.S. broker. The representatives from the group's

relationship with a foreign insurance broker which may have no appreciation or regard for their own activities; while a number of the family Interests prefer the group to remain independent.

Even the most opportunistic of the insurance men on the board may bave cold feet about committing a pillar of the Lloyd's establishment to such powerful U.S. hands. But If Marsh produces the right price for Bowring sustained resistance could prove difficult. For the moment Bowring is

fighting against the Marsh juggernaut by appealing in characteristic paternalistic fashion to the hearts and minds The founder later moved to of London committee and was non-insurance activities are dis-Newfoundland and started a responsible for initiating the tincily cool towards a formal battle. Bowring could appeal

Insurance Broking 21.3 20 3.6 Insurance Underwriting and Lloyd's Agency 12.5 Credit Finance and Engineering Banking Trading, Shipping and Property **Group Central Services** (1.2)40.3 Less Loan Stock Interest (2.6)Profit for the year * Accounting basis changed

C. T. BOWRING'S PROFITS SOURCE

could raise a powerful political lobby to block the bid through a Monopolies Commission reference. And if Lloyd's wants to gain time while it sorts out its future attitude to the foreign ownership of a Lloyd's brokeras its rule which limits ownership of Lloyd's brokers hy outsiders to 20 per cent crumbles— it may be that Lloyd's will support Bowring behind the sceoes. Publicly, of course, Lloyd's will attempt to do nothing which could possibly give any Marsh McLennan, its most important producer of business.

to more than sentiment.

ARSH and McLennan's latest annual report sports a glossy colour photo-portrait of its chairman. John M. Regan Jnr., standing sternly, bands-in-pockets on the tarmac at Kennedy Airport with a British Airways Concorde taxing past in the middle dis-

ance of cool professionalism with high technology-just the image that Marsh likes to convey. But it also has something of the toughness and global reach that have made Marsh by far the largest insurance broker in the world today. In a business which consists mainly of small, tight-knit operations turning over a few million dollars a year. Marsh has revenues of over half a billion and is represented in some 60 countries. Its closest competitor is only two-thirds And such is the size of the

It is a fine study in the alli-

U.S. insurance market that Marsh estimates it originates one-tenth of all the business that reaches Lloyd's of London, the world's most important insurance centre. Few people at Lloyd's dispute this claim, and even argue that the contribu-tion is probably a lot higher. This is the somewhat awesome "megabroker" now biddiog £237m for C. T. Bowting, the UK financial services com-

Lodon brokerage interests. The deal is hotly contested; but few people familiar with Marsh and the determined men who run it expect the hid to fail unless the bid is stymied by the UK authorities, Indeed, Regan has spent many hours criss-crossing the Atlantic in Concorde in pursult of bis goal.

Aggressive

Despite its aggressive reputa-tion, though, Marsh likes to call itself a "family" of companies. This cosy tag seems to have been chosen partly to draw its many subsidiaries logether into one barmonious unit; but partly too, to emphasise the management structure in which the parent company is very much that: the leader and wielder of authority. Based in a skyscraper in Man-

hattan's Rockefeller Centre, Marsh operates in three broad business areas: insurance services, employee henefits con-sulting (through its William M. Mercer subsidiary) and investmeni management (Eberstadi and Putnaml. By far the largest segment is insurance services which account for ahout two-thirds of revenue. But it is a measure of Marsh's size that William M. Mercer is also the world's largest employee benefits consulting organisation.

The insurance services are broken down into property/ casualty, marine/aviation and reinsurance, the latter being handled by the company's subsidiary, Guy Carpenter.

Under the twin leadership of Regan and Robert Newbouse, the president, Marsh bas gone aggressively for growth in the 1970s, virtually doubling its revenues in the last five years. Part of this was achieved by expanding Marsh's business in the U.S. But. believing that the best pros-pects lie abroad. Marsh also steadily built up a large over-seas network of affillates and correspondents which now give lt a presence in most countrles of any importance.

Marsh's strategy has been. where possible, to go for joint ventures with local firms rather than butld up its own business from scratch, a policy based on the view that a presence can be established more quickly and effectively that way. especially if the partner is a leader in the local field. Britain, though, was different.

operation of its own there despite London's importance. This was partly because Lloyd's rules make it hard for foreigners to participate directly in Lloyd's business. But another reason was the long-standing relationship that Marsh had built up with two London brokers.

through whom it channelled most of its considerable business. But Marsh clearly resented its inability to get closer to Lloyd's. In the mid-t970's, Regan pointed increasingly to the incongruity of the U.S., and Marsh in particular, generating huge amounts of insurance and commissions for Lloyd's without

directly in the exchange. It was against this background that Marsh started talking to Bowrings about the possibitity of a "business combination." The phrase was corefully chosen since it was clear that Morsh would have difficulty in taking over Bowring outright, given Lloyd's rule limiting outside ownership of its members to 20 per cent.

heing able to participate

However, the talks began to sour, and several proposals foundered mainly, it would appear, over the onestion of who should control the proposed combination. Marsh offered to share top positions and even change its name to accommodate Boweing but this cannot have concealed the fact that Marsh would end up as the dominant partner.

rrustration

Finally, io frustration, Marsh aunounced last December that it was considering a take-over. On the face of it, this was surprising since Bowring was bound to put up a fight, and Lloyd's stick to its 20 per cent rule. However, the top men at Marsh had clearly considered the position carefully, and concluded that they could achieve their aim despite these obstacles.

There is always a danger that

It will end up buying a company which has been deserted by its most valuable assetpeople. But this danger, which Marsb could presumably make good with the help of fat salaries, would not offset the buge benefit to Marsh of finally gaining direct access to Lloyd's. As an experienced New York observer of Marsh put It: 'Marsh ls less interested in Bowring tbon in an entry ticket to

D.L.

EDITED BY ARTHUR BENNETT AND TER SCHOETERS

Actuators more reliable

In order to combat this at a competitive cost.

Machines both ends

actuators in power operations moving part - with a body

of 1-turn applications (e.g. moulded in glass reinforced polyester resin, which also provides bigs and part — with a body

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to 7.8 kgf and can be switched be capable of rapid switching. by solid state electronics

It consists of a 10 mm bore power cylinder integrally mounted with a three-way power valve. Overall dimensions are 15 x 15 x 96 mm.

The maximum force of 7.8 kgf

designers with a devil and deep

blue sea choice, says Hytork, 11

Cost acceptable units tended

situation, the company has now

encapsulated

METALWORKING

considered too expensive.

418291) -

A SMALL thrust producing The company points out that unit called Micropush, a com- to obtain this with a direct blued miniature power valve acting solenoid with an equivalent stroke would need a very and pneumatic cylinder, is able bulky unit with high power to produce a linear force of up consumption which would not

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More from the makers, 25, is produced at the maximum Mitre Street, Buckingham, operating pressure of 10 bar. Bucks MK18 1DW (02802 4393).

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TWO OF the most emotive it offers a cooversion package lectual resources environmental

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motors). Implementing the same code of scrupulous atten-

tion to engineering and service.

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York Road, Gloucester (0452 close tolerance on the vane and the excellent surface characteristics of grp make it possibla verts common industrial waste to achieve highly effective to solid fuel, to be used by to leak excessively, and pre-sealing in a unit which offers industry as an alternative to cision sealed units were overall lightness, bigb strength, and maintenance-free reliability generating heat, steam and electricity, is announced by The actuators can be operated Leigh Interests, The Waste introduced a new range of vane with dry or moist air, water, actuators which combine a compatible hydraulic fluid or Management Centre, Lindon Road. Brownhills, Walsall (Brownhills 5151).

First plant for Leigh Fuel bas been commissioned by Polymeric Treatments (subsidiary of Leigh) at its Killamarsh works in north Derbyshire.

The company says that the Central Electricity Generating Board bas already taken sup-plies far full scale burning trials with excellent results. The Killamarsh plant will make up to 50,000 tonnes of the fuel in the first year and plans to expand in the near future.

Tars, paints, beavy nil sludges —all presently thrown away on potential in wastes produced from coal mining, such as colliery shale and coal washings.

issues challenging man's intel- called Alpinair Autogas to those today are who can't afford the headache conservation and of rising oil prices but relish ntal protection the opportunity to play cost-

product of oil-liquid petroleum government (or any other) to turned off for petrol use only). slap a probibitive tax on LPG, The gas is vaporised by when the world's concero is warming it up by water taken with the exploration of alteroative sources of fuel and, since but now the OPEC countries the 1974 crisia, a transfer from may insist that we import oil to an acceptable substitute.

quantities of this gas as part As oil prices rise, of course. As oil prices rise, of course, so will those of LPG. At the moment, however, give or take come into its own as a vital a few pence, the latter is a

> fer to gas promises a 100 per How is it done?

yard at Alpinair, 174, Honeypoi Lane, Stanmore, Middx. (01-204 9633)—although a number of regional depots are under way. between the fuel pump and the Installation usually takes less tank with a filling and drawing ing to the fuel used. valve and built-in level gauge.

along the pipes by the pressure existing in the lank, and the liquid gas is intercepted first by Following on from the consaving games for—at least—the an electrovalve where it is version of any old rubbisb into next few years. Cynical technology reporters iser (this also switches off the ing of a hitherto wasted bynot in the interest of this running and then the selector is

> decompressed in various stages to the atmospheric pressure, and finally passed to the mixer in the exact quantity needed by the engine. Fitted to the vaporiser is an

electromagnetic control to facilitate the starting of the engine without petrol—especially on these frosty mornings. The mixer, connected to the vaporiser by a steel braided tube, mixes air with the gas in the right proportions just as the carburettor does for petrol.

Finally, the system has an electro magnetic valve placed carburettor which intercepts the than one day to complete petrol and regulates the flow of Necessary components are a petrol to the carburettor accord-

All the equipment is placed

ciple, projecting a beam of light

bool-or under the depending on the type of vehicle. When the switch from petrol

benefit of no filthy exhaust. Lead deposits and other residues, such as carbon, are inherent in exhaust emittance from a petrol driven vehicle. Virtually no maintenance is necessary—just a small annual

service, says the company. Because a vebicle runs cleaner, its engine needs less servicing. there will be fewer oil changes and longer spark plug life. Petrol pilferers may well have had their day because Alphair Autogas cannot be sipboned off and, with the fuel selection

tion, the vehicle cannot easily he started by a thief. tageous to bave their own bulk-

storage system. A large number of gas

Aulogas fuel is drawn from within the engine compartment service stations exist all around the tank in liquid form, pushed and the gas tank is usually the country, says Alpinair. along the pipes by the pressure situated within the vehicle's evidenced by the growing demand for LPG. Car makers Bristol, Volvo and Fiat are installing it as an optional extra, and Rolls-Royce has been to gas is effected there is hardly testing its engines on gas for a hiccough . . . but there is the many years. Many councils, unquestionable (and unseen) also, run their buses and coaches on the fuel and some provincial constabularies operate their vehicles on gas.

Those who are jaundiced with escalating motoring costs, petrol queues and forecourt elosures may take beart from the example below: Vehicle covering 20,000

miles per annum at 25 mpg

800 gallons used at, say. £1.30 =£1.040 Using LPG, cost equivalent = £ 560 will be emphasised at the cassume 10 per cent less Occanolngy International 80 ex-



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• TEXTILES Distortion of fabrics prevented

held to a specific count. If these grating which is viewed through

A system of automatically being processed and it can be counting the courses during adjusted very simply by the stenter drying bas been operative running the macbine. developed by Eltex Instruments A series of different gratings (23, Higher Hillgate, Stockport, are supplied so that different SK1 3ER. Tel. 061-477 3993). It weights of cloth can be checked

Distribution by air ACCORDING TO D. D. Lamson, link between the point of supply

the company's system that is and use. Systems can be prowidely used for the transport of serve any number of receiving stations throughout documents could equally well be applied to the transport of electronic components from that "it is a strange fact" that storea to point of need in fac-

"thousands of pounds a sava year for computer manufacturers" and would involve the Harbour Road, Gosport, Hants installation of a direct air tube (07017 87311).

computer makers themselves, tories and workshops. working in such technically
The system, called Circuit- advanced systems, still use anti-Link could, says the company, quated methods for component distribution.

More from the company at

plant A series of different gratings AGREEMENT has been reached in principle by General Automalion and Matra S.A. on a joint

are npaque.

• MATERIALS

Laminate

venture to design and build a factory near Nantes, France for the production of blgb tecbnology laminates that are used in printed circuit boards. Capitalisatinn is over \$6m and General Automation's subsidiary Lamination Technology of Santa Ana, California, will be

well as marketing support to generate a European customer General Automation's UK office ia at 43 Windaor Road,

switch in the intermediate posiefficiency for LPG) My shopping baskel on wheels Sussex, from March 3 to 7, is a Mini GT (under 60 miles Eight Canadian companies Prime consideration is the a week) and would cost some- a government agency will join supply of fuel. The company thing like £300 to convert—so forces to show equipment ranghopes that soon all motorway at the moment, LPG is not for ing from submersibles and deep service slations will he serving me. Also the inclusion of the gas. Owners of a large fleet, the Alpinair gas tank would seriously inbibit boot space. tems, moored and drifting However, as time goes by, and buoys. oil prices inevitably rise, the long-distance private motorist will consider LPG as a viable alternative and this will surely determine the design of motor DEBORAH PICKERING

that is able to be fitted to exist- inch. The system may also be rics when it is required to check The automatic course counter the number of picks per incb. be suitable for materials that Electric motor (unused).

UMAS, Shell Mex House,

g targel

agency agreement it has just Minimum part length is 38 mm at special request however.

A fully automatic unit, it is opposed tool spindles each con-

ONE OF the machine tools formed on straight, round work that will become available from blanks up to 38 mm solld or Ti-Brookes as the result of an 70 mm outside diameter tubing. finalised with Economy Machine and the standard maximum Tool Corporation of Ohio is the model, 53 double end finishing ponents can be accommodated machine.

cast any other suitable media.

This machine has two in line

Contery soate and coal washings.

More from Brades Road, and even oil spilla at sea washed

Single machining operations Oldbury. Warley. West Midup on beaches can be used for
r combinations can be per-lands B69 2DL (021-552 5311). the fuel.

chute loaded and can machine trolled by a separate drive, a point, mill a hollow, chamfer either fixed nr variable according to the application. Feed first the process or ream both ends of ing to the application. Feed first the process cylindrical workpleces. It can each tool head is by two dials can also recover the ancrey could be applicated to the process of the country of the process of cycle at up to 4,800 times an which give infinite variation by hour and is actuated entirely controlling flow to hydraulic with electrically interlocked cylinders.

Brades Road.

acceptable sources of fuel for

A company which believes a First of all, vehicles will have motor-car can be run on the to go through the mill in the same fuel as that used in a throwaway cigarette lighter has built its reputation in the field of car air-conditioning (its yard is bulging with Rolls-Royces and standard up - market

A NEW development which con- WHEN FINISHING and setting is a compact, solid state system for the number of courses per knitted fabrics there is a danger that the fabric will be distorted ing stenters at comparatively used with lightweight waven fab and set in a stretched condition low cost. used with lightweight waven fab so that it is effectively a lighter other energy sourcea for weight than intended. One way oparates on a stroboacopic prin- although it will obviously not of obviating this problem is to ensure that the number of through the moving fabric and courses, or rows, of stitches are ahowing this against a taper line

> are controlled to a set number an adjustable mirror. The flash of courses per cm or inch then rate will vary according to the the fabric should be consistent. speed at which the fabric is

a factory. One Lamson executive states

providing the technology and manufacturing knowledge to build and deaign the plant as

Slough, Berks. (Slough 7233).

THE PROPERTY MARKET BY MICHAEL CASSELL

'Cosy' institutions still over-reacting

property development is stifling the supply of badly needed investment property, according to Julian Markham, chairman of Glengate Properties.

Mr. Markham says there-are signs everywhere that new development and refurbishment is required but that little real progress can be made "within the cosy guidelines of current institutional thinking."

In claiming that the institutions and their advisers exercise "unwelcome and heavy cise "unwelcome and heavy influence" on the entrepreneurial skills of developers, Mr. Markham says they rontinue to over-react to the last property crasb and bave become blinkered to the extent of considering "prime and nothing but prime" property.

The troubles of the mid-1970's, he adds, all but destroyed the traditional developer-institution relationship and while the reaction may have been logical and even reasonable the time has now come for a reappraisal.

He concedes that the institutions are themselves adopting the role of developers and that small development companies are being used by the funds as project managers but claims that "an incredibly successful British development record was those entrepreneurial skills. not founded by following this The last period of entresecure but conservative trustee preneurial flair led to a crash

which created the last boom is still there to be tapped and that sound developers who understand the requirements of the institutions can, given the chance, provide a fresh supply of investment property.

"Contrary to the swingeing conditions imposed as a pre-requisite in real estate investment, the institutions are now laudably backing small nursery unit factories and backing venture capital ideas. Why not return to the proven successful partnership of backing the creative developers which had provided the institutions with the bulk of investment property for the last 25 years and more?" It is worth remembering, bowever, that few developers have, until recently, been in any position to contemplate the fresh bout of activity which Mr. Markham calls for. While many funds are now acting directly are enough partnerships around to suggest that the type of relationship he mentions will continue to play a role in the development world. There are. on the other hand, few signs of any impending redefinition of "prime," which would presumably open the door of oppor-tunity just a little wider for all

Rowe & Pitman fills the gap

to raise a few eyebrows around the offices of many leading cbartered surveyors and estate agents. City brokers Rowe and Pitman are establishing a commercial and industrial property investment service for institutinns and other clients.

The new operation, to be known as Rowe and Pitman Property Services, is to be headed by Robert Houston, who has been brought in from Richard Ellis's investment department and who for some years was portfolio manager to Electricity Supply Nominees.

Rebind the more is a wish

Behind the move is a wish on the part of Rowe and Pitman to fill the fairly obvious gap in an institutional broking service which already extends to UK
equities, gilts and overseas
securities. It acknowledges the
growing volume of institutional
funds now going directly into
property and the firm's clear intention is to take a share of the fee business which until now it has had to pass on else-

advice-to the extent that they selves. now employ chartered surveyors
—it was only a matter of time
before the broking fraternity
left the sidelines and had a go

According to Mr. Peter
Hardy, who beads the propetry
company - research share
research and investment in the marketplace.

is the culmination of more than ber of the new subsidiary, a

IN A MOVE which is certain 30 years' experience in the pro-to raise a few eyebrows around perty share market and the firm claims to have been supported in its plans by more than one agent oo the grounds that when a conflict of interest forces them to pass on potential investment clients they find it hard to elect suitable candidates.

Mr. Houston says that be will soon be taking on additional chartered surveyors and plans to build up investment agency, portfolio management and surveying activities before moving on into other areas.

Investment support

"The intention is to support the investment advire we give and obtain experience in commercial lettings and project management. In the fullness of time we wish to provide the services normally expected from investment-surveying practices, but at first we will be concentrating on huying and selling "

Mr. Houston says that the new firm does not yet have any clients lined up and is not looking for overnight success. "It is very early days and if we do about such a move on the part one or two deals in the first of one or more City broking year then we shall be pleased. operations for some time. With the main merehant banks already June, although we still have to providing property investment arrange office space for our-

department at Rowe & Pitman The Rows and Pitman venture and who is also a board mem-

prime target for business will be the medium-sized pension funds, (up to around £50m) many of which are relatively new and which may still be in the process of seeking investment advisory services.

"We regard the move as a natural and logical extension to natural and logical extension to our existing business. Only three weeks ago we were asked by a group to manage their properties and we had to refuse necause we were not ready. We hope before too long to be in a position to give a different response to that type of proposi-

Under the existing rules of the Royal Institute of Chartered Surveyors, Rowe & Pilman will not be eligible to become members but it intends to adhere to its rules and to its commission structure. The firm accepts that it could be several years before it becomes profit-

Hardly surprisingly, the firm's expertise in some aspects of property will provide it with an excellent base for the new centure, is not heing fully shared by the big agents' iovestmeot men.

The reaction from most was

simply that to offer advire on

property in relation to other forms of investment was one matter but to go into the market place, locate properties, veodors or purchasers and advise on the price to pay or not to pay was altogether another matter.

Some agents believe the

going for Rowe and Pitmas could be tough. A senior partner in one firm commented: "The major problem will be finding any worthwhile investment propositions. First of all. they will be nffered all the rubbish which no nne wants. When they start to go for the good property, contacts will be essential and while they might know a lot about property they can't know much about the

Another investment specialist added: "Most large institutions already seek their advice from retained consultants and although there may be some funds around who do not, Rowe and Pitman will need to have established a record of serious and efficient buying before they pick up much business like that.

Expertise

market."

"Most established surveyors have taken years to build up specialist expertise in all aspects of the Property market and knowledge of one area is just not enough."

Rowe and Pitman's reply to such criticism comes from Mr. Alan Hurst-Brown, senior partner of the firm. After 30 years in the property share market we have built up not only a great deal of knowledge but many contacts. We are also in the process of drafting in people who will provide knowledge in those areas where it

BBBuckell & Ballard

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First stage in the race for Surrey Docks scheme

COUNCIL and Southwark week announced that it was yesterday began the job of being joined by Wimpey as a sifting through proposals for the consortium partner, has shown redevelopment of 140 acres of derelict land at Surrey Docks.

derelict land at Surrey Docks.

Around 15 detalled plans had been submitted when the deadline for entries set by the two authorities closed yesterday. The work of compiling a short list has already begun and by the end of this month the original list of schemes is likely to have been cut in half to have been cut in half.
Developers atill in the race

will then be asked to elaborate on their original plans and details of the necessary financial package to support the schemes will also be required. So far only Taylor Woodrow bas publicised its proposals for Surrey Docks while other contenders have preferred to keep tenders bave preferred to keep both their identities and their plans under wraps.

However, it is understood that Trammell Crow, the Americanowned trade mart specialists, are attempting to revive plans for the site which fell through early last year when the group failed to get Government financial support for the

Another proposal bas come from an unidentified consortium which involves architects Richard Seifert and includes a 540,000 sq ft Brent Cross-style shopping complex, 320,000 sq ft of offices, an industrial park, a 300 bedroom botel and the possible provision of a monorail system across the Thames.

week announced that it was consortium partner, has shown none of the reticence of other

potential contenders Preliminary marketing for its £400m shopping, office and botel complex and John Smithers of Healey and Baker, the agents retained by Taylor Woodrow, says names like Tesco, Sains-bury's and Marks and Spencer bave written letters of interest which would account for up to

im so ft of the 1.7m so ft of retail space planned. Hambros will be responsible for gathering finance and the Bank's Christopher Sporberg says work on raising institu-tional money will start in earnest if the consortium's plans pass the first barrier.

There is still a very long way to go for all those involved. Developers like Taylor Woodrow will be imposing their own conditions on the planning authorities, not least full support to ensure a smooth planning process and the provision of good local communications.

The Bank of Ireland bas taken a lease on 9,000 square feet of self-contained offices at 3, Lombard Street, EC3. The premises have recently been refurbished by Scottish Provident Institution, the freeholders, which were rep-resented by Jones Lang Wootton. Rent overall is thought to be in excess of £21 a square foot.

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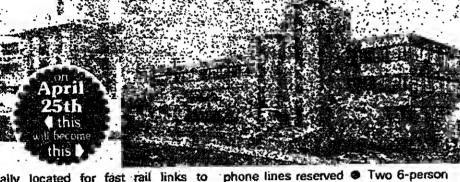


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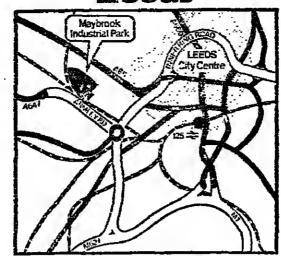
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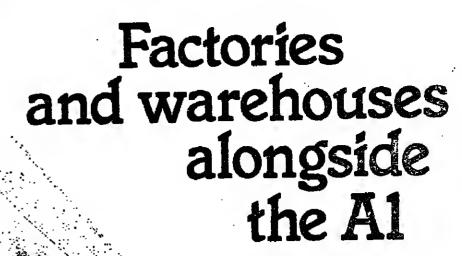
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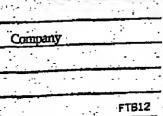
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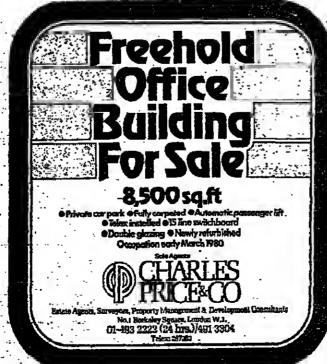


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Window-dressing at the IBA

BY CHRIS DUNKLEY

THE INCLUSION of the notion of breakfast television in the Independent Broadcasting Authority's announcement about the 1982 ficences has, 2 cynic might say, already more than fulfilled the IBA's wildest dreams. It has provided imnumerable newspaper headlines and radio and TV discussions all giving an impression of novelty, dynamism and change in ITV, and has thus ensured that very little attention is paid to the bulk of the authority's proposals the effect of which will be to strengthen and ossify the status

And all by simply flying a kite which, according to some dis-illusioned franchise bidders, will inevitably fall from the sky thanks to the conditions the IBA bave tied on its tail.

Tall order

Although even a Timeo leader was among those stating un-equivocally last week "For the first time in Britain there will be breakfast television" (for-getting the disastrous 1977 ITV getting the disastrous 1977 ITV or only television is much more experiment) tha IBA's otate common in the U.S. than in ment on the new licences actually says quite plainly "The Authority gives no undertaking at this stage that a breakfast time contract will be awarded."

Ta an outsider's eye the whole business looks highly doubtful. Haviog stipulated that any contract would be for a service consisting primarily of news, information, and current affairs, starting normally at about 7.00 and running until 9.15 seven days a week, the IBA announce that they would expect to be paid a starting rental of at least £500,000 a year. In view of Yorkshire TV's failure to pull in anything like a profitable number of viewers even hy adding Peyton Place and cartoons to their news and current affairs schedule in their breakfast time experiment, and considering the Inevitable opposition to a new national breakfast time company from the existing local TV companies, that sounds like a pretty tall order.

There are, bowever, even stronger reasons for suspecting that this eye-catching distraction will amount to nothing come licence day. The idea of time comes to re-award all the breakfast time programmes old contracts.

BBC 1

† fudicates programme in black and white

9.05 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges, 12.45 pm News. 1.00 Pebble Mill at One.

1.45 Mister Men. 2.62 For Schools, Colleges. 3.25 Pobol Y Cwm. 3.53 Regional News for

England (except London). 3.55
Play School. 4.20 Hong Kong
Phooey. 4.30 Jacksnory. 4.50
Tarsan, Lord of the Jungle. 5.10

Grange Hill. 5.35 The Perishers.

7.00 The Superstars.

originates—like so much of television—in the U.S. where all three big networks, ABC, CBS and NBC, run breakfast shows. But of course they run them as part of their over-all programme mix, not as an isolated franchize lacking access to the more profitable time slots. Furthermore although American television has to compete with early morning pro-grammes from local radio stations, it does not have any thing comparable to the BBC's popular national breakfast programme Today to contend with.

There are other significant differences hetween the two mass media in the two countries: whereas vast oumhers of British kitchens (presumably most) contain a radio, precious few boast a television. In the U.S. 49 per cent of homes contain two TV sets but in Britain the figure is only 15 per cent, most secondary sets bere being monocbrome. Personal observation suggests, more-over, that the habit of eating breakfast in a diging area within sight of the home'o main

Public opinion

Yet, as the IBA report from their own recent public meet-ings, the thing that viewers in every locality do cry out for is "more talevision coverage of local affairs and culture." That demand would be met if the IBA were to fulfil the Annan Committee's . recommendation that commercial television "should be primarily a regional television service" and the Authority be ranamed the Regional Television Authority.

But of course it would be too much to expect action just because public opinion coincides with a £315.000 report resulting from the biggest ever Govern-ment inquiry into broadcasting not when that action would mean the changing of a bureaucracy's title from the misleading "Independent" Broadcasting Authority to a Authority." Viewers and government be blowed—talk neither Midnight Court nor loudly among yourselves about breakfast television until the favourites, are to be found in

The islanders get their oil bonus

IN AN almost literal pouring of oil on troubled waters, the Occidental North Sea consor-tium this week agreed to pay higher rates than formally required on its oil-handling terminal in the Orkneys, which now carries about a third of the UK's annual requirements. Its willingness to hand over the extra money—likely to amount to about £1.8m this year—underlines its desire to be viewed as

THE ORKNEYS

function. But Orknay rates had already risen considerably as a result of providing needed services for the terminal, and if Oxy had won a legal battle, it appeared to be in danger of losing valuable ground in the longer war for Orcadian hearts and minds. That is a war on which Oxy has spent considerable efforts and money, in an attempt to avoid the bitterness area of natural beanty, and to a community which—with the exception of the brief booms ganerated by the presence of the military in two world wars upheavals which have and marked the arrival of the larger Sullom Voe terminal in the Shetlands. — has traditionally made its modest living from farming

Last year, Orkney Islands Council devised a complex strategy to claw back some of Council its "lost" revenue — by doubling the rate demand then paying rebates to the islanders themselves. Oxy then looked like being a two-times loser: bence the new agreement, which preserves derating only on the gas processing plant, not the entire terminal

Oxy thus hopes to put rela- churlisb, reflects nevertheless tions back on an even keel Even that "we practically have to

BY JOHN GRIFFITHS

and a rates bill this year of over

the islanders who have most sterilise the air around it." Thanks to an "Orcadians first" hiring policy, 75 per cent of the terminal's 300 permanent reservations about the likely effects of the oil boom concede that, for the most part, Oxy has been a benevolent neighbour. staff are from the islands, The terminal's financial benesome brought home from ahroad fits to such a small community are very substantial. Apart from -a small turn in the historical tide of population drift away an initial "disturbance" payment of £im to the islanders, from Orkney and similar rural

And armed as they are with to the OIC for every tonne of oil passing through the terminal. That adds up, when combined with assorted harbour charges, a buge and costly array of anti-pollution devices, the work force bas far more incentive than a commercial one not to pollute their own doorstep. Mr. to over film a year.

But the "good neighbour"policy has extended well beyond
straight payments. The 80 or so Graeme Lapsley, the OIC's chief executive, says that of the nearly 400m barrels of oil wblch have now flowed through, only 60 barrels bave been split—and Flottarians, mostly crofters, had their bouses wired for electricity those mopped up quickly.

at Oxy's expense; Flotta's roads Yet the benefits—and these now also include a fast hoat were resurfaced (admittedly after construction work had service for Flottarians allowing made a mess of them); a subthem to shop in Meinland daily and their children to come stantial part of the cost of the new community centre was met home frequently rather than, by Oxy; and the £50,000 Pier Aris Centre at Stromness on as in the past, spend term-time in the bostel close to their Mainland was the personal gift of Oxy's chairman, Dr. Armand Kirkwall school—still come with Hammer. About \$8,000 a year a price. is also being provided during The islands' social and econo-

mlc fabric is under strain and many fear that this will accelerrunning. Perhaps the most bizarre ate with what consequences nogift came when Oxy heard the one can quite predict during the expected 20-year minimum Stromness Academy needed a piano, it obliged —with a £6,000 life of the terminal. grand. Ian McInnes, the head-master, not wishing to appear

The high wages paid at the terminal have served to draw to it people serving needed roles elsewhere in the com-

technician from the Academy who went to Oxy at a salary higher than a principal teacher's, and there have been other cases. Bill Crichton, Oxy's administrative and communal relations manager, himself a former Stromness headmaster, acknowledges the prob-lem and says recruiting is now being done extremely carefully and taking into account the wider structural problems of the

community.

Perhaps more worrying, in a previously mainly rural community where, say many islanders, no-one thought too much about money, now com-parisons of wealth increasingly are being made.

The shops in Kirkwall's (the capital") narrow main otreet, which once held mostly basics, now also display luxury items, while Oxy wives can travel regularly on a chartered plane to shop in Aberdeen. "They are creating an elite in housing. in transport and in lifestyle-it is very much like colonialism." one islander complained. Some have criticised Orkney Islands Council for what they see as its abdication of its responsi-bilities to Occidental — "it is fine as long as Oxy lasts, but what happans when the under-pinning goes away?"

It is a charge hothy denied by island councillors, themselves trying bard to come to grips with bow best to deploy both

the new-found wealth and the problems it is creating.

The council is providing aid to the smattering of small Industries and helping in the purchase of fishing hoats. It is also building a £750,000 abattoir aimed at reducing the depen-dence on live cattle exports to Aberdeen and is aiding farmers
—"who took a hell of a knock
last winter"—in various other

Ways. For all that, it has atill to aet out a long-term strategy for its still-growing oil revenues, and is in the process of appointing an economist to devise one. Bill Cricbton is confident that the Orkneys will survive the

boom Intact—" we've been invaded in waves ever since the Vikings; Orcadians bave learned to say, 'wboopee! Here's a boom.' Then settle back to normal wben it's over." David Sinclair, Flotta's postmaster and former island councillor is not so sure that the changes already set in train are reversible—
"there was a time when time itself didn't matter: now we've

Light on the Gold Cup

soo, has taken on in the past two months an even markier complexion and I doubt if anyone even six weeks ago could have envisaged the present state of betting.

a good oeigbbour to the people of Flotta, the island housing

the terminal, and the 18,000

other Orcadiano living on the

necklace of islands encircling Scapa Flow.

. This appears to bave ended what for Occidental was its

biggest single embarrassment in its efforts to introduce the oil

industry harmoniously to

and fishing.

The rates affair bad become

a cause celebre. Soon after oil started flowing to Flotta from

the Piper field in 1977. Oxy (as

it is known to the locals) won

a 50 per cent derating for the terminal under a 50-year-old

law allowing lower rates on

process plant, although the process separation of gao from the oil-formed a fairly

Jack of Trumps heads the market at 9-2, half a point in

RACING BY DOMINIC WIGAN

front of Silver Buck. Other prices read 11-2 Diamond Edge, "Regional Television 10-1 Border Incident, 14-1 King

favourites, are to be found in the betting, due to setbacks, while Grand Canyon — another Boxing Day.

If the Gold Cup market is to receive yet another early shake up, one from the trio made up of Diamond Edge, Raffi Nelson, and Border Incident is almost sure to he the instigator.

At Sandown tomorrow, Diamond Edge meets Raffi Nel-son among others in the Freshfields Holiday Handicap Chase, in which an authorative win for either will see those Gold Cup odds altering dramatically

Raffi Nelson's handler, Nick Henderson, has taken the view, quite rightly I believe, that if bis charge has any claims to a place in the season's most prestigious chase he must beat Diamond Edge, fair and square at Sandown, where Raffi Nelson

7.30 Play Your Cards Right. 8.00 Life Begins at Forty. 8.30 Hawaii Five.O.

11.00 The London Programme.

12.45 am Close: Personal choice with Diana and Yebudi

All IBA Regions as London except at the following times:--

ANGLIA
1.25 pm Anglis News. 2.45 House-party. 3.15 The Spoils of War. 5.15 Happy Cays. 2.00 About Anglia. 10.30

1.20 pm Chonnol Lunchtime News, Whet's On Whers and Weather. 2.45 The Friday Matines: "Reneom For Alice." S.15 Emmardele Ferm. 8.00 Report Al 5te. 6.35 In Search Of... The Coming Ica Ago. 8.30 The Incredible Nulk. 10.25 Channel Late News. 10.35 Chimley Corner. 10.55 TV Movie Pramiers: "Force Five." 12.10 am News and Westfer in French

12.10 am News and Weather in French.

GRAMPIAN

S.25 em First Thing. 1.20 pm North News Needlinss. 2.45 Friday Matinee:
"Octor in Love." etarring Michael Craig, Virginis Maskell and Leslie Phillips. 5.15 Emmerdels Farm. 3.00 North Tonight end Area Weether Forecast. 6.35 Sportacall. 8.30 Veges. 10.30 Reflections. 10.35 The Lata Night Norror Show: "The Mephiato Waltz "starring Curt Jurgens. 12.30 am North Late Night Headlines plue Road and Ski Report.

GRANADA

9.20 The Comedians.

11.45 Chopper Squad.

10.30 Soap.

THE TOTE Cheltenham Gold prone to injury—is now rated will be meeting the Saxon Cup picture, although far from an outsider following that House prospect on 18 lb better clear at the outset of the sea-crasbing fall, at Kempton on terms than in March. Mudlarks will be in their

the next seven years to keep It

element at Sandown this afternoon, and two in this category envisage going well are Probable and Fury Spirit. The first-named, runner-up at 14 lengths a subsequent winner in Swashbuckling at Ascot in a Division of the Silver Doctor Novices Hurdle, can take a similar event in the opening division of the February Hurdle while that much improved seven-year-old Fury Spirit looks well treated off 11 stone 4 lbs in the Park Handicap Chase.

> SANDOWN 1.30-Probable**

2.00—Fary Sphrit***
2.30—Cabar Feidh
3.00—Spartan Missile
3.30—20ss dn Vin

4.00-Desert Hero*

5.75 Mr. And Mrs. 5.00 Report Wast. 5.30 Tha Muppai Show, 2.30 Tha Streets Of San Francisco, 10.35 Recort Extra. 11.05 The Friday Film: "Twins Of Evil."

Of Evil."
HTV Cymru/Wales. As HTV West/
HTV Ceneral Service except: 10,3110.45 am About Wales. 10.48-11.08
Am Gymru. 1.20 pm Penswdau
Newyiddion Y Dydd. 1.25-1.30 Report
Wales Headlineo. 4.15-4.45 Y Bech,
Ymysg Y Mawrico. 6.00 Y Dydd. 6.156.30 Report Wales. 10.35-11,05 The
Electric Theatre Show.

SCOTTISH 1.20 pm News and Road and Weather. 2.45 Young Romsey. 3.45 Money-Go-Round. 5.15 Mr. And Mrs. 6.00 Scot-lond Today. 2.30 Emmerdels Farm.

TYNE TEES

SOUTHERN

1.00 ATV Newsdesk. 11.05 Murder
et the Movies: "Frenzy."

BORDER
1.20 pm Border News. 2.45 Nouseperty. 3.15 The Spoile of Wer. 5.15 Southern News Extra. 10.35 Southern News Southern News Extra. 10.35 Southern News Ex

TYNE TEES

8.30 em the Good Word followed by
North East News Heodlines. 1.20 pm
North East News and Lookoround. 2.25
Friday Matinae: "Emily, Emily." 5.16
Lavarne And Shirley. 6.00 Northern
Uile. 6.25 Sportstime. 10.30 North East
News Noadlines. 10.25 Teytor And
aurton: "Candy." 12.45 em Epilogue.

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HER MAJESTY'S THEATRE. 930 6600. The Friday Mathree: "Noy I'm Alive."

The Lagend of Hall Neuse."

The Areh Tagend of Hall Neuse."

The Jonew headlines. 7.45 Thought for the One. 1.40

The Archetts. 1.55 Ohlphin forecast.

2.00 New Seriod Hairer, Age Umara in presentation of the Crucy Per Weeks. Endos MARCOT.

HER MAJESTY'S THEATRE. 930 660 OPERATOR MARCOT.

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LYTTELTON (OF OSCINILIAM SARGE). HOW TOMOR TOWN AND TOMOR TANDERS.

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and Joyce Grenfell. 4.13 Ufster News
Headlines. 5.15 Mr. and Mrs. 0.00
Good Evening Ulatur. 8.20 Veges.
10.29 Ulater Wasther. 10.30 Sportscart.
11.00 Witness. 11.05 Fridey Film: "Yestarday's Child." 12.25 em 2adtime.

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CAMERIDGE 01-836 5056 Credit cards accepted 01-836 T040, Mon. to Fn. 0.00. Thurs. 3.00. 5xt. 5.00 and 8.00. THE HIT EROADWAY MUSICAL GREAT MISSCAL ENTERTAINMENT. CHICAGO ELIZABETH SEAL IENNY LOCAN. COLIN SENNET. DON FELLOWS. HOPE JACKMAN. G. LYON. Reduced prices for parties 779 5061. 855 8055. Students. Nurses. OAP standby £1.50. COMEDY THEATRE, CC. 930 2576.
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WESTWARD WESTWARD

1.20 pm Westward News Headlines.
2.45 The Friday Moones: "Rancom For Affice." 4.12 Gus Noneybun's 2irthdays. 5.15 Emmerdele Farm. 6.00
Westward Giary. 6.30 The Weskand Show. 6.50 Just The Job. 2.30 The Incredible Nulk. 10.32 Westward Lets News. 10.35 Chimley. Comer. 10.55 TV Movie Premiers: "Force Five."
12.10 em Faith For Life. 12.15 West Country Weather and Shipping Forecast.

GRANADA

11.50 am Stamp Stories. 1.20 pm
Granada Reperts. 2.00 Live From Two.
2.50 Movio Premiere: Richard Crenna
in "Footsteps." 5.15 Mr. and Mrs.
0.00 Granado Reports. 5.30 Kick Off.
8.20 Vegas. 10.30 Double Vielen. 11.15
Soap. 11.45 Nouse of Nortons: "Or,
Jelyff and Sister Nyde." YORKSHIRE
1.20 pm Calendar News. 12.45 Friday
Film Matines: "The Late Edwins
Black." 4.10 Certoon Time. S.15 Mork
and Mindy. 8.00 Calender (Emley Myor
end Belmont editions). 6.35 Calender
Sport. 11.00 The Friday Night Film:
"The Legend of Hell Neuse."

PALACE, CC. 01-437 0834. Mon.-Thurs 0.00. Fri.. Sat. 0.00 and 8.45. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lipyd-Webber. Group sales 01-379 6001 or Freehome 2381.

PALLADIUM, CC. 01-437 7373, YUL BRYNNER In RODGERS & HAMMER-STEIN'S THE KING AND I also starring VIRUINIA MCKENNA, HOTLINE— 01-437 2055, Evening: 7,38, Mats. Wed. and Sal. 2.45, Some goods seats available in Wate. Mate.

CLASSIC 1, 2 3, Maymorkel iPiccadilly Circus Tube), 01-839 1527. 1: APOCALYPSE NOW (XI. A 70 mm Dolby Sterro presentation, Progs. 1.30, 4.30, 7.40, 4.30, 7.40, 4.30, 7.40, 2.00, 4.45, 7.30, 2.00, 4.55, 7.30, 2.30, 4.50, 7.30, 2.31, 2.31, 2.31, 2.31, 2.40 mot Sun), 3.10, 5.40, 8.10. CLASSIC POLY, Oxford Circus (Upper Repent Street), 837 8953. A DIFFERENT STORY (AAL Progs. 1.00 (not Sun.!. 3.00. S.35, '0.05.

CLASSEC T 2, 3, 4, 5, Oxford St, 01-E36
0310 lepp. Tottenham Court Rd. Tobo).
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HORROR CKI. Full Storeophonic Soval.
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2: Clint Estrood ESCAPE FROM
ALCATRAZ (AA).
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CLASSIC Leicester Square. 930 0915. MOT STUFF (AA), STEEL IAAI, Props. 12.10 (not Sun.), 2.05 3.40, 7.10.

CURZON, Carzon Street. W1, 499 3131, LEE REMICK in THE EUROPEANS (U. Pro9s: 2.00 (not Sun.), 4.00, 0.20, 8.40, ODEON MAYMARKET (930 2738:2771), Jill Clayburgh in Bertaluct's LA LUNA (XL. Sen. certs, WKS, 1.45 5.05, 8.10, Sue, 4.50, 7.45, Late Night Show Fri. & Sat. 11.45,

ODEON LEFCESTER SQUARE 1930 6111), THE BLACK NOLE 1AL Sep. peris. Dry. 1.45. S.OO. 8.15. Late Night Show Saturday 11.45 cm, All Seate may be booked at 80g Office or by Post. OBSON MARRIE ARCH W2 (723 2011/21)
ONE FLEW OVER THE CICKOO'S NEST
POS. Sun-Fri. 3.45. 7.40. Sat,
1.0. Sea pros. Sun-Fri. 3.45. 7.40. Sat,
6. Sat 11.15 pm. Svening Per 6 Weekends
may be booked in advance. PRINCE CHARLES Lek. Sq. 437 (701. World Premiere Presentation NYSHT GAMES (XL Sep. 12.30. 2.45, 5.55, 8.35, Lto Show Fri. 5 Sai. 11.15. Scats 8kble. Lic'd Bar.

SCENE 1, Letc. Sq. (Wardour SL), 139 4470. ALIEN (X). Progs. 1.05. 0.33. 0.00 8.30, Lte. 5how Fri. & Set. 10.55. STUDIO 1, 3, 6, 4, Oxford Circus, 437
3500, Ltd Bar, 10, 10, 12, 45, 4, 05,
11 THE DECR NUMBER (X), 12, 45, 4, 05,
21 TIME AFFER TIME IAAI, Progs. 12, 35,
22, 35, 32, 0, 05, the Show Sat. 10, 55,
44 AFOCALYPSE NOW (X), 5cp. Peris,
0y, 145, 4, 50, 8, 00, Lts Show Sat 11, 10,
Seats Skile.

ART GALLERIES

AGNEW GALLERY. 43, Old Bond St. W.1. 829 6176. 170th ANNUAL WATER-COLOUR EXHIBITION, LIMIT 10 February. Men.-Fri. 9.30-5.30. Thurs. Until 7. MALL GALLERIES, The Mell. SW1 CONTEMPORARY YOGOSLAY ART, MOL-Fri. 10-0; Sata. 10-1. Until 14 Feb. Adm. Free.

CLUBS

EVE has outsided the others because of a policy of fair play and valua for money. Supper from 10-3.30 am. Discs and too musicians, sistements hostenes, exciting toor shows. 185, Regent St. 734 0557. GARGOYLE, 68, Dean Street, London, W1, NEW STRIPTEAST FLOORSHOW "AS 'TO'U LIKE 'I' 11-2.30 am. Shows al Midnight and 1 am. Mon-Fit Closed Saturdays 01-437 645 S.

8.00

em. £ 19.50

17.00 14.00 15.00 19.50

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ACROSS 6 Former bird with friend 1 Published and is prosecuted outside (10) 7 Ended article describing Fresh vegetable flower (8) Italian food (5) 10 Permissible range of variation and patience (9) 8 Indifference to a course hefore the end of July (6) 11 Examine a hard shell (5) 9 Damage in panei (6) 12 Measure round article in a 14 Dejected being without way (4) alcohol (10) way (4)
13 Inaccessible from stretch of 17 Descend and abandon a river (3, 2, 5)

17 Descend and river (3, 2, 5)

18 Caustically aly about 18 One who can barely run? stringed instrument (7)

18 Une wno can barely stringed instrument (7)

18 Write outline about Pole in 20 Broad-minded politician (7) brown study (6)

20 Broad-minded politician (7)

19 I must leave reptile confused to get the bird (6)

21 Swiss territorial division
making tin weight (6) 21 Musician with little room is 22 Cite me turning up? It terrified initially (7) makes you sick! (6) makes you sick! (6)



Scotland-11.00-11.20 am For F.T. CROSSWORD PUZZLE No. 4.189

23 Buffoon is to climb first of 24 A French member to render Everest's alope (10)

Skilful sailor the French

must follow (4)

Bisley (4)

A 188

28 Ancestral form of vegetable broth? (9) 29 River I fish in underwear

30 Curdler returned for money DOWN

1 Attract attention in premium paid (8)
2 Fruit to note in Mohammedan ruler's domain (9) 3 Unusual cure for yellow colour (4) 5 Remove selectively with little doubt It's said (4, 3)

Schools (Around Scotland), 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland, 10.15 Spectrum. 10.45-10.50 Regional, National News.
Northern Ireland — 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six, 10.15 It's My Opinion. 10.45-10.50 Regional, National News. 9.25 Mr. Packer and the Poms: The hijacking of cricket by Australian business. tycoon Kerry Packer.

10:15 Points of View (London and South East only). †10.20 Lucille Ball in The Lucy 10.45 Regional. National News.

10.50 The Late Film: "Big Rose," starring Shelley East (Norwich); Look North Winters.

(Leeds, Manchestar, Newcastle); 10.45 Regional National News.

All Regions as BBC1 except as Midlands Today (Blrmlogham); Points West (Bristol); South

Wales—1.45-2.00 pm Cwmti.
Wales—1.45-2.00 pm Cwmti.
South West (Plymouth). 10.15Happy Oays. 2.00 About Angles. 10.30 Streets Of San Francisco. 10.30
10.45 East (Norwich) The East Soven Oays. 11.00 Friday Late Film: Ways And Means. 11.00 Late Call.
Anelians: Midlands (Birming-Men Who Metter.

Ways And Means. 11.05 Appointment With Fear: "Oracula Men Who Metter. News for Wales. 11.06-12.54 am The Late Film: "The Happy 8.00 My Wife Next Door.
8.30 Francis Durbridge: "The Late Film: "The Happy Ending," starring Jean Simmons. Scotland—11.00-11.20 am For

Unlucky for Some?; South (Southempton) More Than Yeslerday?: South West (Plymouth) The Moving Line; West (Bristol) Journey Back.

> 11.00 am Play School (as BBC1 3.55 pm). 5.40 Cartoon 2. 5.50 Monkey.

Anglians: Midlands (Birming-bam) The R and D Show; North (Leeds) Yorkshire Buccaneer;

North East (Newcastle) Coast to Coast: North West (Manchester)

6.35 Cricket: Australia v. England (highlights). 7.05 Delia Smith's Cookery Course.

8.10 Talking Picturea. 9.00 Pot Black 80. 9.25 Pro-Celebrity Golf. 10.15 Sacha. 10.55 Late News. 11.10 Friday Night . . . Saturday Morning.

LONDON

9.30 am Schoolo Programmeo. 11.55 Cartoon Time. 12.00 Song Time. 12.30 Simply Sewing. 1.00 News pluo FT Index. 1.20
Thames News. 1.30 Together.
\$:00 After Noon Plus. †2.45
Friday Matinee: "The Small
Back Room." 4.15 The Tomororw
People. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News: 6.00 Thames News.

4 1053kHz/295m

2 693kHz/433m 909kHz/330m

RADIO 1

1089kHz/275m

& 98-91vhf etereo

6.30 Thames Sport, 7.00 The Muppet Show. 1.20 pm Baport West Headlines, 2.45 The Friday Metines: "Noy I'm Alive." Radio Wavelengths

3 1215kHz/247m & 90-92.5vhf sterse

HTV

4 200kHz/1500ms

RADIO 4

R'A DIO 1
IS) Stareophonic broadcast
‡ Medium weve
5.00 am As Radio 2. 5.00 Deve Lee
Travies 8.00 Simon Bates. 11.31 Paul.
8urnett. 2.00 pm Andy Peebles. 4.31
Kid Jensan. 5.30 Anne Nightingsle.
9.50 Newsbest. 10.00 The Friday Rock
Show (S). 12.00-5.00 am As Radio 2.

RADIO 3

a.00 am Test Metch Special: Australia
v. England. 7.05 Weesther. 7.10 Naws.
7.15 Overturs (S). 2.00 News. 2.05
Meming Concert (S). 3.55 Rural
Rhymes. 9.00 News. 9.05 This Week's
Composer: Besthoven (S). 70.00 Young
Artists Recital (S). 11.00 Veughan
Williams and Eiger (S). 12.05 pm 3aC
Nerthern Symphony Orchestra: cancert,
part 1 (S). 1.00 Naws. 7.05 32C
Nerthorn Symphony Orchestra: part 2
(S1. 2.05 The Arts Worldwide. 2.25
Meeds. Impressions and Memories (S).
3.25 Semuel Waslay: Misss Pro Angelio
(S). 2.55 Comparing Nature (S).
7.10 One Pair of Ears. 7.25 Play 11
Again (S). 7.30 Nandel and Campra:
concert part 1 (D). 8.05 Radio 3 Short
Sterv Compatition. 2.25 Concert part
2 (S1. 2.30 Partnars in Law: Convarsation between Lord Scarman and
Prolessor Archibeld Cox. 9.55 Jack
Sarymer center (S1. 10.05 Serenade
Concert (S1. 11.55 News. 12.00-2.05
Om Test Match Special: Australia v.
Englond.
RADIO 4 Show (S). 12.00-5.00 am As Redio 2.

RADIO 2

S.00 am News Summary. 2.03
Cricket: Australia v. England (reports).
5.94 Otave Jones (O) including 6.03,
7.03 Cricket: Australia v. England (reports).
5.94 Otave Jones (O) including 6.03,
7.03 Cricket: April 19 Cricket: Australia v. England (report). 2.03-5.00 You And The Night.

BBC Radio London variation between Lord Scarman and Prolessor Archibeld Cox. 9.55 Jack Saymer centert (S1. 10.65 Serande Concert (S1. 11.55 News. 12.00-205 Om Test Match Speciel: Australia v. England.

RADIO 4

3.00 am News Bristing. 5,70 Farming S.00 am Join Radio 2. 8.30 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Showcasa. 4.30 London News Cask. 5.35 Look, Stop. Listen: 7.03 alack Landoners. 8.00 Question Time 10.00 am News Street, 10.00 am Join Radio 2. 8.30 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Showcasa. 4.30 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Showcasa. 4.30 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 The Rebbis Vincent Talaphone Programme. 1.03 pm Landon Live. 2.03 Rush Heur. 10.03 Rush Heur. 10.03

THE ARTS

Cinema

Lost in Greene-land by NIGEL ANDREWS

National Film Theatre

Oh, what a noble book is here o'erthrown! If you bave read and reverenced Graham Greenc's skilled and wondrous surgery refuserted humanity into the ailing heart of the spy thriller, you will be as curious as I was to see what the cinema has made of it. You might even have put your shirt on Otto Preminger, were it big enough, as the man most likely to succeed in bringing it to the screen. Preminger was the quondam maestro of Hollywood Humanism with films like Anatomy of n Murder and Advise and Consent, and his last film made in Britain was the tense, moody, Greene-like thriller Bunny Lake Is Missing.

retendent in the second second

-Eather

1 × 445

But Greene's is an elusive talent: It scuttles away like a sand-crab when the mighty wit of showmanship comes too near. And since Preminger has gone for broke here with an all-star British cast — Attenborough, Morley, Gielgud, Williamson and ladled out the colour photography in a story that might have preferred to wear a taut, quiescent drahness, Greene's subtle magic fades at the commencement and scarcely pops its head around the corner again until the last, defiantly moving scene in Moscow.

. Nicol Williamson, bravely mothballing his gifts for sulphurous scorn and grand agony, plays the poor, pained hero Maurice Castle; the White-hall "mole" who sples for Moscow, Sarab, his black South African wife was spirited from that land with a Communist ing. As they move about gln- Froncisco, The Barretts of Wim- in particular: a rich suspect's friend's aid, and Castle, in grati- gerly in their Berkhampsted pole Street. The Philadelphia wife whn waylays and seduces

Strank Season and Outsider's domesticity and desk-work, ireland ICA wondering when the time-bomb of his treachery will blow up.

Apart from some African flashbacks slipped into the nar-The Human Factor, which with rative, Preminger and Tom Stoppard, who wrote the screenplay, have kept doggedy faithful to the letter of Greene's novel, trusting 20 doubt that the spirit will thrive of itself. Deluded optimism. This movie's faithful attentions to its original are of the embalming rather than the revivifying kind, and sweet as are the unquents and spices lavish of American studios, Preminger spreads over the body—who could resist Robert Marley and Richard Atten-borough flouncing through VIP character roles as murderous medico and huffy security officer respectively?—the true heart of the tale has stopped beating and the corpse declines to come beck to life.

> Preminger is a mastercraftsman and even in this blank, odourless, stolid movie have-been. Attenborough's mud-Attenborough moks as if

give constrained, circumspect, ing spectacles or sophisticated stiff-limbed performances, as if comedies or costume melo-out to earn Oscars for Good dramas you can winnow among Behaviour rather than for act- such movies as Red Dust, Son

Somali-born model Iman-live amid the whey-faced acting and Sunburn (A) Classic Haymarket shire and he commutes between hideous furniture — expensive, domesticity and desk-work, ugly and nn-Castle-like) and Greene's spirit howls silently in the cellarage, decrying the waste of a marvellous story.

> "Ars Gratia Artis"—alias
> "Art for Art's Sake"—reads the legeod engraved on a loop of white celluloid, and the lion poking its head through the middle is perhaps antiphonally roaring the perennial Hollywood pendant to that motto. "And money for God's sake." MGM, in its heyday the most must have cast an eye more than once at that second, more brutally realist maxim; for their extravagance as a production machine, even in the Depression years, was matched by few other studios and, within their own walls, only by the stylish inventiveness with which they deployed their resources.

Three cheers that they sur-

vived and thrived so lnng; and

are even now, ofter seeming there are signs of what-might- retirement in the 1970s, garnering business once more as a dlesome Colonel Daintry wields production outfit. MGM is about a rosy cheek and a fine pair of to receive a multi-part tribute mutton-chops as he blunders at the National Film Theatre. genteelly into Williamson's with so many films promised guilt, and Preminger wisely lets that most of them would dis-him steal as many scenes as he appear over the Earth's curvature if laid cod to end. That he's discovering and relishing the original Ben-Hur is showing his role as he goes along. Ditto tonight and on Sunday is, alas, Morley's pop-eyed, large-jowled purely academic, for the per-Civil Service assassin and formances were sold out ages formances were sold out ages But Williamson and Iman whether you like MGM dispens-

tude, is repaying that moral dacha, awkwardly delivering Story, Gone With The Wind, every man that crosses her debt with espionage. Now he the script's neat, too-careful Muliny On The Bounty (two path, But like a Veous fly-trap and Irish Cinema

GM* and Irish Cinema

GM* and Irish Cinema

GM* and Irish Cinema

September.

Theatre, chiming in with Lon- High Camp. "Sense of Ireland" month, is a four-week programme of Irish cinema. As the an interesting actor who oever London Film Festival has shown got his humbling comic persona in recent unveilings there is more to Irish cinema-both in quality and in quantity-than meets the English filmgoing cye, and with luck this intro-ductory season will ensure that more cans of film cross the Irish sea in coming years. Look nut particularly for Bob Qulm's Potcon, Kicron Hickey's Ex-posure and Peter Lennon's Rocky Road to Dublin.

I demand that a monument be built to Joan Collins in Wardour Street; possibly made of bronze, and standing bold off—the fun-packed thriller in and leggy and negligee'd out-side Rank Film Distributors, less brilliance. I refer of course Single-handed, Miss C is keeping the flag of British sex-appeal flying in international cinema, and goodness knows what would happen to that dwindling commodity without her: or what would happen to movies like

Sunburn The nominal leading lady of this jet-set comedy-thriller is Farrah Fawcett (ex-Majors), the sort of assembly-kit Hollywood beauty—all teetb and golden cascading hair—that Richard Vernon's fluffy, pater-nalistic "C," head of British secret service.

ago. But why weep? There are Miss Collins has always been countless other treasures to one parodic and transcendent come. and depending on jump ahead of. Here Miss Fawcett plays the side-kick and pretended wife of private-eye Charles Grodin, investigating insurance frauds in Acapulco, and Miss Collins plays-well, nobody

Part one of this Leviathan and gurgles and insinuates and retrospective starts today and silthers and wraps berself lasts throughout February, around the furniture and is Four more instalments are truly hilarious. The cinema has promised, taking us through to seen nothing quite like this since Swanson in Sunset Also at the National Film Boulevard It's the apotheosis of

> The rest is the apotheosis of lowly drivel. Charles Grodinquite right in King Kong or Heaven Con Wort and continues not to do so bere-leads the investigative fun-and-games in hright-skied Mexico; and making a threesome with him and Ms Fawcett is Art Carney, playing a grouchy-but-lovable retired private-eye for what must be the 836th time in his career. The plot advances hobblingly from confusion to chaos over 98 min utes, with nary a glimmer of wit (save from Miss Collins) and with many a sigb for that now-knighted gentleman who used in carry this sort of thing to Sir Alfred H. Perhaps we should make it two monuments in Wardour Street . .

Jean-Marie Straub Daniele Huillet bave, like Joan Collins, cornered a section of the movie market. Their appeal, however, is somewhat antithetical. Where Miss Callins is the Queen of Overkill, the "Straubs" are the Monarchs of Minimalism. A season of their movies starts at the ICA this week, opening with their newest one of my favourites, but it film From the Cloud to the needs vigour as well as imagina-Resistance and going un to embrace earlier titles like Othon and The Chronicle of Anna Magdalena Bach. You should explore their frugal, crystalline Intelligence. There is much dialogue, much immobility nf camerawork, much batting to and fro of philosophical ideas, much beautiful landscape photography, and a general sense that though time can't be made to stand still for many other film-makers, it can be - and is for the Straubs.

Also at the ICA this month more Ireland. A season called 'The Oulsider's Ireland" un-



Jane Carr and Matyelok Gibbs

Warehouse

The Caucasian Chalk Circle

by MICHAEL COVENEY

vided by the narrator for two child for snivelling and raising rival communes contesting a a good laugh with her warning valley after the last war, illust that "being poor and cold puts trates that those who treasure people off." and maintain human resources as well as human life shall inherit the earth.

It is a rich and leeming play. tion in the presentation. It received that sort of treatment at the hands of the Rustaveli Theatre Company currently at the Round House. The RSC's approach is dutiful, dogged and disappointingly prim. Visiting companies of the Rustaveli's calibre so often expose weaknesses in our classical output.

in muddle, with hoozy relish and contributes a fine cameo of the enveloping gusto, the evening begins to drag interminably at totype in the play) with his solo studies course. Each those examples of crazy justice simultaneous offer of funeral scholarship will be worth in action. Jane Carr as Grusha, and wedding rites, the kitchen maid who takes off Kenneth Colley's Narrator is The winners of the scholarship. reels movies made about the Emerald Isle by non-Hiberman directors. On display: Odd Man Governor's son after the palace wolved, just another example of the mountains with the curiously self-effacing and unin-stips will be announced in May directors. On display: Odd Man Governor's son after the palace wolved, just another example of the production's failure to seize tion recital for them in June.

At least the basic moral of centrates less on establishing Brechtian, but its delivery is Brecht's parable emerges bright the physical arduousness of her too often entrusted to the cast and clear in John Caird's RSC task than on giving off an air of standing in line and helting it revival, which has lately com-pleten a national tour. That is, charge. She plays far light mistakenly assume to be appro-that the play within a play, pro-that the play within a play, pro-

Merrison) across the mountains is likewise glossed in funny accents that belong more to TV sitcom than to the Georgian pass. Chris Dyer's design is a large white space decorated with orutalistic properties and buman sound effects. So, you suddenly find Mr. Merrison standing in a corner moaning softly and stretching a long diagonal rope as Grusha flees the Ironshirts and leaps the windswent ravine to safety. The wonderful comedy of Although Alun Armstrong arranged marriage of Grusha to attacks the role of Azdak, the the "flead" bridegroom is drunken indge who finds system rather muted, but John Rogan "cut-price monk" (Azdak's pro-

one usually associates with and shake it to life. Stephen British Grushas. But she con-Oliver's music is mercifully un-

priate. Incidentally, for the second Warehouse show run-ning a girl suckles a baby at a fully-clothed breast. I am not advocating realism in all things. The tone of Grusha's relation-ship with her brother (Clive hut it seems odd that a company so uninhibiled with language should rarely appear physically

New arts sponsorship

liberated.

The most valuable scholarships ever awarded at the Guildball School of Music and Drama are to be offered by British Petroleum to four postgraduate students of outstanding ability during 1980 to com-memorate the school's centen-

These annual scholarships will consist of two for the postdiploma opera course (any voice) and one each for piano and strings on the advanced

Out, Ulysses, Hennessey, The has been sacked, does well to the production's failure to seize tion recital for them in June. Outsider, and a host of other avoid the scrubbed grimness the play by the scruff of its neck Applicants should apply to the curios, classics and collector's one usually associates with and shake it to life. Stephen Registrar at the Guildhall



John Gielgud, Richard Attenborough talking to Nicol Williamson in Otto Preminger's "The Human Factor."

Rakhmaninov's Francesca

Rozdestvensky, at Wednesday's into bitter-sweet major as he Rordestvensky at Wednesday's BBC concert, dug deep into the Russian repertory for our benefit. He came up with one positive gain — Rakhmaninov's short opera Francesca da Rimini—and nne more dozebtul find — Glazunov's ballet Les Ruses d'amour. The opera was began in the difficult period after the failure of Rakhmaninov's First Symphnny, aut on nov's First Sympheny, put on one side, taken up again and finally produced (in a double bill with his Miserly Knight) in 1906 at the Bolshoy.

The librettist was Modest Chaikovsky, whose brother several years before had used the same episode from Dante's Inferro as the basis of a symphonic poem. The opera itself resembles more than anything an extended symphonic poem an extended symphonic poem are extended symphonic poem partner for Miss Gray, was with solo voices and chorus. Except for fleeting appearances by Danie and Virgil there are only three characters—Francesca, Paolo, and Paolo's malbrother Lanceotto Seasons and Raymondo, are Malatesta, who is also unfor-timately Francesca'a husband The chorus, mostly wordless, represent damned souls. No one could manage wailing and mouning better than Rakhmaninow, but it has to be said that the opening number (or over-the opening and closing sections ture?) is based on the French when the chorus are involved song "Pai du bon tabac," which come very near Chaikovsky.

The opening, when Dante and hy which time a deal of pretty sounds, is long out of propor-tion with what follows. Other-wise the score is well worth revival, less for the opera house revival, less for the opera house as sumptuous as one would wise the score is well worth revival, less for the opera house than for gramophone or concert hall.

The vocal writing as might be expected from a song writer with a score is well worth or violin and cello, has tickled our ears. The scoring is tickled our ears. Th

be expected from a song writer urgency or insunctive teering to two of the repertory's most Angus Anderson, at pres with such a gift for lyricism, for classical dance. Still, it was nice to hear music for dance that the second book of National Orchestra. The is the propertory's most angus Angu

tion to detail and strict control in Rozhdestvensky's best man-

ner. He made the pause

between the two parts as short

as possible (how odd of Rakhmaninov to have made a

break in such a unified concep-

partner for Miss Gray, was equally warmly involved. John

tion).

As Francesca Linda

Kristin Merscher

tion's stage. She was young. and her performances were young too but they bad glitter, and confidence, and thrilling potential. She was clearly an exceptional discovery: although the jury, with a jury's customary grey and moralising caution, passed her by for the finale in avour of two far duller talents. The performance by the BBC Symphony Orchestra and Singers combined fierce intensity, atten-

Wigmore Hall

Since then she has wisely the Wigmore's Debenham series.
There is still much work and much exploring to be done, and there are important doors still to be opened; but she gave no reason either to modify the opinion that she is potentially, for all that the sensibility is not yet fully formed, one of the most exciting young artists to be introduced to the capital in

Shirley-Quirk wrung sympathy years. for Lanceotto.

Glazunov's main ballets, The arrangement of Bach's organ Prelude and Fugue in A minor familiar up to 2 point: His —the kind of performance familiar up to 2 point. His third, Les Ruses d'amour (1900, St. Petersburg, choreography by Petipa) is so far forgotten that the programme was able to give hardly any information. The opening number (or overture?) is based on the French base octaves, driven with metops. pable energy. She followed this clarion overture with Chopin's A flat Ballade and B minor Virgil make their informal but not always remarkable Scherzo, both articulated with descent to these mournful ballet-music, including a valse splendid precision, every fortissional is long out of propor-send what is presumably a grand simo climax on a knife edge. consider also the nature of a true Chopin sotto voce; is it

When she appeared in the exception — with astonishing semi-finals of the Leeds Competition 16 months ago Kristin truly impressive achievement: Merscher was just 17, and I but on another almost too noncalled her then one of the most chalant, as if brilirant reflexes sensationally gifted piarrists had sometimes taken over from ever to appear on the competi- (or not yet reached) the beartwhere, for example, were the httle expressive douceurs of "Ondine" that her fingers could so easily have encompassed, or the touching curves, deeply septimental of the deeply sertimental, of Brahms fourth variation? She has proved that she can master the broad lines, and all of the dangers, of the most virtuoso score. The time is coming, and kept away from the limelights, and continued with her studies, waiting until Wednesday to make a modest London debut in

New musical director for Bournemouth Sinfonietta.

relinquish his position as principal conductor of the Bournemouth Simonietta, a post he has held for three years. He will make his final appearance as orincipal condoctor on Sunday, July 18, at the Winter Gardens, Bournemouth and from September 1 he will be

the leader's chair conducting.

Leader of Scottish Opera Orchestra

Volker Wangenheim is to succeeded by Ronald Thomas, the present leader of the Sinfonietta.

Mr. Thomas will have the title of musical director and as such his responsibilities, will be divided between directing from

really such a robust and forthright mezzoforte?

She devoted her second balf Scottish Opera bas announced that the leader of the new Scottish Opera Orchestra is lo two of the repertory's most Angus Anderson, at present exacting warhorses, Ravel's associate leader of the Scottish
Gaspord and the second book of National Orchestra. The first
Brahms's Pagenni Variations, performance by the new

A FINANCIAL TIMES SURVEY

VIEWDATA

MARCH 24 1980

The Financial Times proposes to publish a Survey on Viewdata preceding "Viewdata '80" at Wembley conference centre (26-28 March).

The provisional editorial synopsis is set out below:

Introduction The growth of viewdata over the past year has been explosive. The UK was the first country to introduce a public service but now other countries -Japan, France and Canada-are developing their own systems rapidly.

Prestel is the British Post Office's viewdata system developed over the past decade

and now available in London. The Information Providers A review of the major IP's, and the services they offer

The Set Manufacturers are a vital second element in the Prestel equation. There

have been charges that they have been slow in providing the sets, thus delaying the start of the public service—though production has now been stepped up. Software Development A report on this considerable resource, the developments

and the major problems ahead. Profile: Sam Fedida, Post Office research scientist, is generally credited as the single most influential figure in Prestel's development.

Teletext Systems have been developed simultaneously with viewdata, differing in that they use airwaves rather than phone lines for transmission and generally offer a more restricted service. A review of their developments.

Ceefax and Oracle are the two teletext systems developed by the BBC and ITV respectively in the UK. A review of their progress.

Viewdata developments in Canada, Japan and France.

The U.S. has not yet developed a system which has been publicly announced, though one company—GTE—has bought in the Prestel System.

The Future A guide to the "information environment" of the future, and the assessment of when and how it will come.

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NIGEL PULLMAN

Financial Times Bracken House Cannon Street London EC4P 4BY Telephone: 01-248 8000 Extn 7063. Telex: 885033 FINTIM G

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Friday February 1 1980

Crucial vote for BL Cars

big majority the company's Derek Robinson, the Longbridge recovery plan, which included shop steward—that they will not plant closures and a large number of redundancies. Since then the Government has agreed things they believe are necesto provide the additional funds necessary to carry through the restructuring programma. Now the issue is efficiency. Over the next, few days the workforce will decide whether to accept or reject a package of wage and productivity proposals which involve far-reaching changes in

New models

The union negotiators are opposed to the proposals and are campaigning against them. But their decision to call a ballot of the workforce is a measure of their uncertainty about shop floor attitudes. For the management the vote is crucial. Without much greater flexibility in the use of labour, as set out in a detailed document already distributed to the employees, the company will remain a bigo-cost producer.

BL's strategy for re-establishing a viable car business has three strands. The first is to bring capacity into line with demand for the company's products; that is the purpose of the rationalisation programme approved in October. The second is to strengthen the model range. The third is to ensure that the plants which manned are and national standards.

After a regrettable hiatus, which has seen the company's sbare of the UK market drop from 30 per cent in 1974 to well below 20 per cent, changes in tbe model line-up are imminent. Later this year a new version of the Marina will be launched; Metro, followed in 1981 by the Honda-designed car.

Credibility

Whether the company can regain some lost market sbare in the period before the new models arrive depends in part on the confidence of dealers and

FOR THE second time in four the changes the company wants, months the employees in BL the credibility of the manage-Cars are being asked to vote ment will be enhanced. As for ment will be enhanced. As for the amployees, Sir Michael Edwardes and his colleagues on management proposals the amployees, Sir Michael designed to safeguard the Edwardes and his colleagues future of the business. Last have shown on several occasions October they supported by a —notably in the dismissal of Mr. sary. Whatever the outcome of union inquiry into Mr. Robinson's case, the company is highly unlikely to back down on the issue.

A favourable ballot result would represent, of course, only the first step in the reform of work practices. Implementation will impose a considerable strain on management at all levels. The company's earlier experience of switching from a piece-work method of payment to measured day work, where the results were extremely disappointing, ahows how important it is for changes of this sort to be preceded by very thorough preparation and training. The hope is that the plant-level bonus schemes will give an incentive to the employees to co-operate in the new arrangements, but the task of changing long-established habits and attitudes is a formidable one.

Solid base

In the five years eince the Government's rescue of British Leyland the company's competitive position has continued to deteriorate. The present manto halt the decline in market ehare. Yet its plans are more realistic than those contained in the Ryder Report. There is no reason in principle wby BL Cars should not be viable with a production of around 750,000 vehicles a year, just as Honda is. Once a solid hase can be established, the company can perhaps begin to claw hack some of the lost ground,

To get that solid hase the whole workforce has to play its part, While the ultimate test is whether it can produce vehicles which people want to buy, a dramatic improvement in pro-ductivity is a necessary condition for the company's survival. That is what the ballot is about. But it also bas a significance which goes beyond BL. A ylctory for the management may there is a growth rate of no encourage other companies, in more than 23 per cent, when the public and private sectors, more producers are moving into

Protecting the lenders

THE long running discussion of Euromarket control each bank to individual sometimes seems to resemble countries and, second, for the the drone of bag-pipes above battle - an lncessant sound which has little relevance to the underlying action. Yet there seems a fair chance that in 1980 a bieud of external control and self-control will actually start to bite into the husiness of international bank lending. There are limits—self-imposed and, increasingly, monitored by hanking authorities-as to the proportion of a bank's capital which may be put at risk in any borrowing country. It is clear that in some cases this limit lies far helow the demands which some horrowers could make on the banking system this year.

Mr. Henry Wallich, Gavernor of the U.S. Federal Reserve, provided a concrete example in a recent speech. He pointed out that if the group of banks providing much the largest part of current loans to Brazil were to expand those loans in line with their capital expansion this year they could provide the country with an extra \$1.5hn. It is common knowledge that Brazil will need to raise ten times that

'Prudential control'

Demands of this order coincide with a moment when the rambling dehate on eurocurrency controls is focusing more exactly on what should be achieved and bow to achieve it. Control is more closely defined today to mean " prudential control". Originally there were other grander aims for euromarket control such as curbing credit creation, or reducing currency speculation, or preserving the economic sovereignty of industrial countries, or keeping smaller countries on the straight and narrow. These macro-economic aims have today been subordinated to the aim of keeping international hanking

The essentially macro-economic idea that banks should be subject to an international system of reserve requirements is now conceded, even by its former proponets, to be in cold

The emphasis today is on control. via the parent of each banking group of internationally

ratio of total loans to shareholders funds.

We are still far from a situation where international banks are forced to limit their exposure to particular countries. But there is a broad move, coordinated through the Bank for International Settlements, to get the hanking authorities in each country to at least monitor the exposure of the hanks undar their control.

Uniform imposition of permissible balance sheet ratios remains far off. But even on an nuco-ordinated and selfimposed basis they are beginning to take effect. Capital constraints are cited as ona reason why the U.S. hanks cut back very noticeably on the pace of their third world lending in 1979.

The second recycling chal-lenge has prompted some bankers and central hankars to suggest the authorities should now go easy on Euromarket controls and let the hanks get on with the recycling joh.

It is surely wrong to suggest that risky banking be allowed to solve a financing problem, however important. It is also quite possible that a hlend of prudential control and self-control is exactly what is required to force alternativa ways of recycling to emerge. When and if banks are physically unable to meet specific demands for credit or to accept daposits the funds will be forced to flow through different and safer channels.

Virtually untapped Nor do all these channels need to be invented. The international bond market remains virtually untapped for recycling. Banks could act as loan-brokers arranging syndicated loans directly between OPEC wealth and development needs. Direct investment by OPEC countries in the third world is widely advocated. And in special cases bank lending might be bolstered by guarantees either from Western Governments or from the International Monetary Fund, or by IMF loans. Despite the new recycling problem the attempt to refine and coordinate limitations to banking risk must go on

Chemical companies turn to downstream specialities

By SUE CAMERON, Chemicals Correspondent

European chemical companies are starting to seek refuge from the storms of petrochemical production and the world'e oil markets in the making of high value

specialities. Gbemical industry pundits have for years been advising manufacturers to mova away from heavy, basic chemicals to making more specialised products. Some have done so and the trend is accelerating. They are acting in response to what some of them see as funda-mental changes in the market Several companies view the

increasing emphasis on specialty products as part of a sort of domino pattern set off by changes in the control over world oil supplies. They argue that the big oil companies are being superseded by the State oil corporations of the producing countries in areas like the Middle East. They expect that this will encourage the oil majors to pay greater attention The chemical subsidiaries of oil companies tend to concentrate on petrochemicals and commodity products such as plastics materials—the area closest to the crude oil business. If their already consider-able hold on this sector is further strengthened, then the more traditional chemical companies may be forced to look to downstream specialties in order to maintain profits.

Eastern bloc competition

Monsanto Europe, part of the U.S.-based chemicals group, says the oil majors are "under in areas like the Middle East over their crude supplies. Mr. Jack Fitzgerald, managing director of Monsanto Europe, reckons the oil companies are therefore likely to move more strongly downstream into commodity chemicals.

He adds that the traditional

producers of commodity chemi-

cals are currently facing com-petition from eastern bloc countries as well as from oilhacked chemical companies at the very time when growth rates are slowing down. High growth rates "can cover a multitude of sins," but the picture is "entirely different" when customers in the future of the business. This gives added interportance to the forthcoming to get to grips with the obstacles ballot. If it shows that a size-able majority of the workforce a direct appeal to their is williog to go along with the employees.

encourage other companies, in more producers are moving into the market, and when everyone is therefore being squeezed.

Monsanto Europe Itself is already moving out of certain bulkier and less profitable producers. duct areas. Last spring it announced it would be closing down its European nylon fibre disclosed plans to sbut down

versatile herbicide that can be used in vineyards, orchards, forestry plantations and crop

specialties as an alternative.

The companies best placed to move more heavily into specialties are clearly those that can build on existing fine chemicals businesses. The Swedish-based Kema Nobel has been making products like pesticides for some time and has started stepping up its activities in these fields and specialising to an increasing degree. At the same time it is expecting less, in terms of performance, from its base chemicals operations. At ent base chemicals account for 29 per cent of the group's total turnover and it is thought this figure will drop over the next few years. The contribution made by such specialist the other hand, is likely to

GROWING number of products such as Saflex, a European chemical compolyvinyl butyral interlayer for panies are starting to seek safety glass which is used in windscreens, and Roundup, a

Mr. Fitzgerald saya that the development of highly specialised proprietary products should enable a company to stay well ahead of the new com-petitors and that there are plenty of opportunities waiting to be seized in the specialised product field. If he were starting from scratch he would look at food production, at pharmaceuticals and energy conservation. Monsanto was "fascinated by the raw, rapid growth" that was taking place in these fields.

culty in the way of developing chemical specialties is the high cost of technical research market research and product

promotion.

The building up of a successdepartment requires not only a great deal of money but also much time. Pharmaceutical companies, for example, examine thousands of compounds during the initial stages of research into new medicines and no wonder drug has ever brought its makers fame and fortune overnight. The specialty field is a hard one for smaller com-panies to enter. Those that find themselves being squeezed by oil-based groups in the bulk products sector may also discover that they do not have the

Defensive strategy

Kema Nobel believes the oil at the heavy chem cals sector and that some of the bigger, traditional concerns are European nylon fibre turning to "specialised products and into specialities. That does Two months ago it as part of a defensive strategy." not mean that Europe's chemiplans to shut down Mr. Per Knuts, head of Keno ral industry is about to play disclosed plans to sbut down the polystyrene and chlorine operations of Aiscondel, its obtained a bead start on some one moving down a place when of its competitors in the special-ties field. Like Monsanto of the traditional companies

duction and energy conservation

as areas for specialty product

that in the hase chemicals sector

we would find ourselves compet-

ing against countries which had

better access to raw materials

Knuts says. "We therefore

decided to reformulate our

strategy. Sweden is strong on

research and development and

Some time ago we realised

But ha admits that the diffi-

fine chemicals research and cheaper labour costs," Mr.

the country also has entrepre-neurial skill. Kema Nobel chose to focus on selling knowledge than just selling chemicals." Although Kema Nobel is expecting base chemicals to make a smaller contribution to its total business over the next few years, the petrochemicals operations of some of the biggest traditional chemical companies - notably those of the three German giants, BASF, Bayer and Hoechst - are in extremely good shape. The oil crisis of 1979 boosted demand and enabled companies to push up prices in a sector that had been suffering from weak prices. subsidiaries as Keno Gard on and from overcapacity for several years. But the boom is not expected to last. The West German Chemical Industry

coming months.

Hard times should tend to favour the oll-backed heavy chemicals gronps while traditional companies to move out of certain hulk products

Mr. Keith Walley (left) of Shell Chemicals: prepared for some stiff competition. Mr. Jack Fitzgerald (centre) of Monsanto Europe: moving out of certain bulkler products. Dr. Kurt Lanz (right) of Hoechst: strength on size and diversity. will continue to make petrochemicals against the increased affiliates of the oil majors. At the same time, the areas where they will look for the greatest growth will be their speciality

product businesses. Hoechst is certainly not expecting the oil-backed chemical companies to push everyone else downstream and into speciality products—though it has to be said that Hoecbst itself would be hard to shift in any direction. It is probably the largest chemical company in the world and certainly the biggest pharmaceutical producer.

Dr. Kurt Lanz, deputy chair-man of tha German-based group, maintains that Hoechst's strength lies partly in its very size and diversity. If one of its businesses goes through a lean time, it will still have two or three successful operations to make np for it.

He adds that a chemical company is not necessarily better off just because it has an oil

parent. But be also says that Hoechst — which does not possess oil of its own—has no current plans for putting new money into those of its busiwhich are related to petrochemicals, including the fertiliser sector.

Association now says it fears a slowing down of growth in petrochemicals during the growth in some of its downstream speciality areas and is supplies of oil-based raw planning to invest in them. It materials are tight and when will be putting money into prices are soaring as has been pharmaceuticals; which now the case over the last year. total business worldwide, and to buy a 19.2 per cent stake in for 15 per cent in Germany. It the Minian oil field in the North The logical course for them and will also be investing in agro. Sea was the wish to safeguard their parents is to expand at chemicals, which represent 7 its petrochemical feedstocks the heavy end of the chemical per cent of its worldwide turn. The group is one of the few industry. This can only encourover and 5 per cent in Germany. traditional chemical concerns to age an already clearly defined in the longer run it foresees bave bought its way into oil. trend for the traditional agrochemicals accounting for as The move suggests that ICI was chemical majors to pisce big a slice of total sales as allye to the dangers of non oil-increasing emphasis on their pharmaceuticals.

plastics—the heavy end of the industry. He believes the need to save energy and, in particular, to reduce the weight and petrol consumption of motor cars, will provide considerable opportunities for the application of plastics materials producers. But even within this commodity sector, he expects to

see far more specialisation.

Mr. Keith Walley, managing director of Shell Chemicals UK, part of the Shell oil group, says his company intends to develop more specialised plastics— though he is prepared for some stiff competition from a number of the hig, traditional chemical companies. He believes that there is likely to he a strengthen-ing of the chemical subsidiaries of oil companies while some of the traditional chemical groups may well move into more specialised product areas further

downstream. Supply-base advantage

Chemical companies that are affiliated to oil majors unetrochemicals, including the doubtedly do have some advan-ertiliser sector. tages over their non oil-based The group is looking for competitors in the petro-rowth in some of its down-chemicals field—especially when the case over the last year.

based companies heing pushed downstream speciality products.

One other area where Dr. out of the beavy end of the anz sees cause for optimism is business. The UK-based group was determined that whatever happened to others, it was not going to see its petrochemical market share eroded by oil-hacked producers. Today it ohtains about 33 per cent of its oil-based naphtha feedstock from Ninian and is in a strong position to negotiate the price

of what it has to buy in.

There seems little doubt that oil-based chemical companies are going to be in a peculiarly strong position to increase their competitiveness at the heavy end of the husiness over the next few years. But that does not mean they will atart rush-ing to invest in base chemicals across the board. Their oil parents may be able to belp them with technological expertise and with secure feedstock supplies, but they cannot immunise them against overcapacity, weak product prices, the development of state petrochemical industries in the Middle East and the eastern bloc, or any of the other forces that affect the market.

While pressure from the state oil corporations of the producing countries is likely to make chemical production attractive to the international oil companies, it will also encourage them to step up expensive exploration activities in the politically stable areas of the world. All of that should ensure that the oil-based groups are highly selective in their investment in petrochemicals. The logical course for them and

MEN AND MATTERS

Ironing out

the bugs

The exposure of a nest of phone tappers in Chelsea was received with something verging on disdain by the captains of our private security industry. "I'm not at all surprised," says Douglas Phillips, president of the Association of British Investigators. "We have always been aware that monitoring is done to such an extent that even we do not discuss certain matters on the He admits to being phone." vaguely amused that someone's apparent obsession with centralisation bad led him to put "so many eggs in one basket."

"All that fuss," he says laconically, "you can do it without such a sophisticated set-up.
It can be done at any time in all kinds of ways by skilled, unethical people." Phillips maintains that all forms of communication in Britain are monitored. The Home Office takes a regular trip through all radio frequencies as a matter of routine. And post, Phillips points out, can be examined with the help of sprays which render envelopes temporarily transparent. But he also believes official surveillance is necessary because tha authorities have to keep an eye on militants and such

The apparent sophistication of the equipment in the alleged hugging centre in Ebury Bridge Road prompted Phillips to point out that commercial and industrial and industria out that commercial and indus-trial managers should also beware of increasingly devious means being used to "steal" confidential information. Rela-tively new in the market are laser scanners and the "infinity transmitter," which can be planted on s telephone line any-where between the exchange and the handset, and used to listen to conversations in the room where the phone is situated. The spy can dial the phone number from anywhere with a special box of tricks. The phone does not vice but the phone does not ring, but the mouthpiece is automatically transformed into a transmitter. Should the phone he lifted, the



"Don't ring us-we'll bug you"

one else tries to call the number all ha hears is the engaged

Poles apart

For those who feel their lives lack that touch of ceremony and pageant, a competition just announced in Poland should help. Poland's Society for the Encouragement of Secular Cul-ture, bas launched a competition asking the people to think up suitably socialist ceremonies which would cover the more important moments in a person's

The society is a small band of indefatigable atheists who hattle for their lack of belief in the face of the formidable Gatholic church. The competition is looking for ways of rivalling the church's flair for pomp and cir-cumstance. Apart from the everyday occurrences of naming a child or registry office marriage, child or registry office marriage, the organisers are looking for ceremonies for becoming a member of a housing co-operative—"being handed the keys," for instance, and "being promoted" at the office.

The range seems unlimited from getting one's first joh, to gaining professional qualifica-

tions, to commemoration of office

school and even farmers have not been left out-"handing over Commission, however, that no the farm from father to son" is one of the subjects.

Still game

While politicians grow in-creasingly doubtful about supporting the Olympics in Moscow, commercial backers for the British team still appear happy to continue putting up money for support. The National Westminster Bank yesterday added a further £30,000 to its £60,000 contribution towards helping athlates prepare for the games.

And George Nicholson,
appeals director of the British Olympic Association, declares himself well pleased with tha way the money is coming in. So far be bas £350,000 of which £350,000 comes from commercial sponsors. He reckons he needs an extra £400,000 and is anxious that individuals or organisa-tions should not be put off their planned fund-raising projects hy the political climate.

All the major traditional sponsors had contributed money, he told me, and only yesterday a "very prominent" pharmaceutical company had asked him for a contract worth £10,000 under which It would be allowed to use the Olympic emblem on its products.

Dig in the ribs

The long-simmering antagonism between Britain's archaeological establishment and the metaldetecting fraternity who roam the countryside in Wellington boots and headphones digging up hedsteads is hoiling up again.

The newly-formed Detector Information Group bas applied to the Gharity Commission demanding that the Goundi for British Archaeology should be stripped of its charity status and thus lose its tax conces-sions. Frank Mellish, DIG's research director, claimed that tha council should be deregistered because of its political activities, which, he says, "are specifically out of bounds" eavesdropper is cut off. If any- same range applies for pupils at for charities.

I am told by the Charity organisation on its books has ever been struck off for straying into politics. The worst that can happen to the council, I understand, is a ticking off and a demand for money spent on political activities to he restored to its trust fund,

Archaeologists have been campaigning for years against what they consider the dan-gerous use of metal datectors on potentially valuable historic sites. There are at present 140,000 licensed metal detector owners in the country and a flock of followers estimated to bring the total to 250,000. The CBA, which has been lobbying for controls, was unimpressed by DIG's challenge. "Oh. what fun," exclaimed a lady taking my call. "I'm terrified," quaked Peter Marchant, the council's administrative secretary. "We are trying to pre-serva the nation's beritage," he "It's a preposterous

Glearly accustomed to dealing with the hobby lobby, Marchant sald they recently complained that the council had described them as "scum." "How they them as "scum." "How they managed it, I don't know. but thay somehow twisted a reference to our Study Con-ference of Unit Managers into an attack on them."

Cocktail cuts

Wit has been fairly thin on the ground amid the general huffing and puffing over the Soviet invasion of Afghanistan, but the octoganarian President Bourguiba of Tunisia seems to be keeping his besd. Entertaining the ambassadors in his country the other day he turned to the Soviet representa-tive. "What is the total area of the Soviet Union," he asked innocently. The ambassador muttered a response with plenty of zeroes at the end of it. "Not enough for you, eb? " replied Bourguiba laconically.

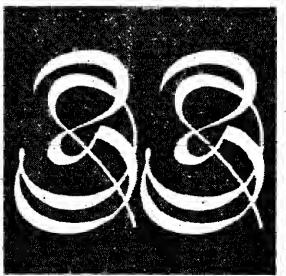
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The Government follows Lord Denning

THE STEEL strike is producing not in pursuit of a dispute could opportunities for the Govern-ment as well as pitfalls. Who the courage of Lord Denning's something of a false dawn. and seek to strengthen the legislation on action of the National Union of secondary picketing now before Journalists in asking national Parliament? Yet that is exactly newspaper journalists not to what has happened.

strike to the private sector may very well be overturned in the House of Lords today. Indeed, relief of the unions. that is almost the Government's. expectation, though the opinion print will be watched.

Whichever way the judgment goes, however, the Government has accepted that the law retating to secondary action in a trade dispute is unclear and must be changed. Necessity provides the apportunity to bring the law more tuto line with the Conservatives' election promises, namely those to curh the power of the unions.

.The existing law was once described by Professor Goodhart as follows: "A strikes against B on a question of wages. Thereupon C strikes against D because he believes his act will be in furtherance of A's dispute against B. Both A and C are protected under the 1906 The 1906 Act legalised secondary action provided that it was "in contemplation or furtherance of" the original

Professor Goodhart's interpreta- changed. lenged. It was widely believed that objective criteria for estab- and Steel Trades Confederation so that the Government was lishing what action was or was

End ex

PART HE DE L

1. 14.2

would have thought last week, case of Express Newspapers v for instance, that the Cahinet McShane, though for the Conwould be obliged to pluck up servatives it turned out to be

Lord Denning ruled that the handle Press Association copy The Appeal Court ruling by in pursuit of a dispute concern-Lord Denning and bis two col- ing provincial newspapers was leagues last Saturday for too remote from the original bidding the extension of the dispute to be allowed. His judgment was overruled in the House of Lords, much to the

Looking back, however, it can be seen that the Law Lords' of the Law Lords may be less findings in that case were much than unanimous and the small less clear-cut than was widely less clear-cut than was widely assumed at the time. It was said by Lord Wilberforce, for dispute by putting pressure on industrial disputes. It was not Government is going to do about might have been different if the simply on the British Steel Corunion's action had threatened to poration. have more serious consequences. As it was, it was a less significant dispute. But if it had led tion, lodged it is because the to the cessation of publication of the national newspapers; the of the national newspapers; the poration are so inextricably Lords' judgment might well linked that the Court of have gone the other way.

The case of the independent steel producers begins almost Lords. where McShane left off. It is Neve on an altogether higher level. An extension of the strike to doubt that this kind of case the private sector might not, as would recur. The existing law was claimed by Lord Denning, is under challenge, and there is "put the whole nation and its a growing tendency to rejewelfare at risk." But at least the simple Goodhart formula. it would be hard to argue that it would have no effect on the national economy. Something of the concept of the national interest has thus been introduced into the pleading, and will no then was to give them protec-Until the last year or so doubt reappear if the law is not

Moreover, the steel producers were able to say that the Iron then no nationalised industries, (ISTC) was seeking a second pretty far removed from most move however, to what the emphasis may have switched strike.



Lord Denning: said the strike was illegat

ment is ultimalely the BSC's

paymaster, this is a fine distinc-

Government and the Sleel Cor-

Appeal's decision is expected to

Nevertheless, if the law were

not changed, there can be little

a growing tendency to reject

So much is not really surprising. The 1906 Act was framed at a time when the

unions were much less powerful than they are today. The need

tioo or immunities rather than

lo prevent their power gelting

out of hand. There were also

overturned by the Law

the Government rather than the paymaster to a large part

Mr. James Prior: adding to the law

The Conservative manifesto made no hones about it. It was not talking simply about clarifications of the law but about changing the halance of power. much more quickly than had "Between 1970 and 1974," it originally been planned. said, "Lahour enacted a 'mititants' charter' of trade union this came about. legislation. It tilled the balance of power in bargaining throughout industry away from respons-ible management and towards claim that industrial relations which few people expected to take place. The Tite and the claim that law was a steel strike which few people expected to take place. agree. If the law can he used strike is now in its fifth week, to confer privileges, it can and the is possible, as I suggested

obligations." Yet the initial changes when they were first oublished in the offered and the emergence of a Employment Bill turned out in streamlined Steel Corporation. be relatively mild. We now That is the objective reason for change. The law has been found by the judges to be less clear than was once thought, and it is also out of date. We now that in the light of recent perhaps even partially court decisions they will he conformalised. But the fact is slderably more restrictive so far that unbody knows. The steel as secondary action in an industrial dispute is concerned. The thing approaching a general trial dispute is concerned. The

should also be used to establish

from limiting secondary picketing to restricting any form of secondary action altogether. The Government is now in a

gave the original formula

election pledges into effect It is worth considering how whelming conclusion is that the Government arrived in its present position by accident.

It is possible, as I suggested last Friday that the strike will end with a settlement not much reconstituted, decentralised and

Appeal Court would never bave strike could almost certainly arisen. The Government might have been prevented, and with not then he proposing to amend it a great deal else, by a little the Employment Bill in a way mollycoddling. that is hound to arouse the still going on.

heginoing, almost in one fell The abandonment of gradualism swoop. First put up VAT to 15 came about by accident. The per cent, raise the minimum reactions are unforeseeable. lending rate to 17 per cent, cut public expenditure, and then clump down on trade union immunities. After all, there will see if the experiment works.

One must confess that there is something to he said for that point of view. But there is no evidence that that is how the position to put one of ils main campaign has been planned. The Government is proceeding hy a mixture of ad hocery and theology and the qualities are not always applied in the right places. It was the theological approach that was applied to the original steel pay negotiations. The Government wanted to show that it was not going to intervene. Yet it overlooked the fact that it was seeking to impose the doctrine of nonintervention on an imperfect model it was not the best Corporation to which to apply the theory that manegement must manage and falls. It is also possible that the can hreak even next

> management must be right. It appears that unions and management at the BSC are agreement without government guidance. That does not prove that the Government's theories

sleel strike, the case of the BSC in its present state is not independent producers in the fit to respond to them. The

The ad hocery comes out in unions yet further and at a time the approach to Lord Denning's when a major national strike is judgment. In fact, there is probably no alternative in pre-Tory leawks might argue that sent circumstances to amending all this is for the best. In other the Employment Bill in Comwords, it is better to do the mittee Stage, but thal is not controversial things at the what was originally planned.

Not least, one of the oddities James Prior, the Employment immunities. After all, there will secretary who was once rethen be four years in which to garded as the unions' Tory friend, is now seen as almost indistinguishable from Sir Keilh Joseph, the Industry Secretary and chief theologian. though in practice a pragma-tist. Mr. Prior takes the view that the union leaders will have to get used for a while to being outside the corridors of power. an experience he has koown himself.

What will happen next? It is not clear that anyone has much idea. It is like watching, and for some participating in. a thriller whose outcome is un-certain. It is possible that the Government will win on all fronts and that the unions will prove to he a paper tiger. That is why one suggests that there are opportunities as well as pitout to be a formidable force. within the promised cash limits, Yet if the Government does triumph it will he more by accident than design. There is no reason at present to believe that anyone is in control of

Malcolm Rutherford

Letters to the Editor

Controlling the Comptroller

From Mr. J. Gorrett, MP Sir - Michael Lafferty's article "Private eyes on the public audit" (January 29) was an interesting discussion whether our state audit body, the Exchequer and Audit Department, should further develop value-for-money auditiog but it ignored the far wider reforms that are needed in the

The most alarming feature of our state audit is the extent to though originally Intended as an arm of Parliamentary scrutiny, it has been said that accounts should be examined by the Comptroller and Auditor General on hehalf of the House of Commons. Chancellors of the Exchequer (e.g. in 1916 and 1921) referred to the Comptroller as " an officer of the House." The present Comptroller, when examined by the expenditure committee in 1977, said "I am totally independent, even of Parliament" though he quoted "a note about his departmen!" which referred to it as an important instrument of the Treasury. The Treasury itself produced a paper for the committee which said that the relationship of the Comptroller to Parliament was simply that most of his reports was a witness before the public accounts committee. The Government's response to the expenditure committee's pro-posal that the Comptroller and his staff should be made officers of the House was that it was of "cardinal importance" that he should not be subject to direction from any quarter. This encroachment on the rights of Parliament must be stopped.
It is true that the Exchequer and Audit Department must move not only into studies of value for public money but also into studies of the results and

effectiveness of policy as the United States Comptroller has done and should examine the management of all spenders of state funds. To do this the department will need many more professionally qualified staff: but the attempt to take over the department by the accountancy profession must be resisted. Accountancy ia not the best qualification for the andit of effectiveness and efficiency of punlic administration because accountancy training in Britain is far too narrow. John Garrett. House of Commons, S.W.1.

Private eyes on the public audit

From the Comptroller and Auditor General

Sir,-May I make one or two brief comments on Michael Lafferty's article on the Exchequer and Audit Department ("Private eyes on the public audit "- January 29)? The management review to

which he refers was undertaken and its findings published on our own instative. I chaired the Stearing group but we had the benefit of independent advice from government departments and commercial accountants. The report supported much of our organisation and approach, but naturally made some criticisms and left us with some rublic sector accounting and Mr. Segal's company as an note: maintenance charges (67 per D. R. Jerome.

Inditing is not identical to booking agent derives its living ceht) laundry (48 per cent). British Mercantile Agency, and in the note industry, yet Rates continue to rise and rate 12-18, Station Road, that he private sector and from the hotel industry, yet Rates continue to rise and rate 12-18, Station Road, the most difficult con like others who should have bills of £250,000 per annum for Sidcup, Keni.

tinuing problems is how best concern for the damage that centrally located hotels are comto achieve in financial audit they do to our national tourist mon and I know of one which an effective evaluation of the interests, Mr. Segal chooses to pays more than £400.000. complex control systems in bite the hand that feeds him. government without proliferat- I can give extensive details

ing a mass of documentation or of the cost increases, including promoting a mechanistic and 49 per cent on wage rates over unrewarding approach. We take two years, which have forced the view that government audit up hotel prices. Like theatres, liself mus: rovide value for the which have received coosidertaxpayers' money. "Systems-based good: trans- and restaurant prices are sub-actions based bad," is a rather ject to VAT at the full rate simplistic approach to public of 15 per cent.

sector audit. I doo't know I would not, however, wish whether our examinations of to miss the essential point which projects such as Concorde, the is that the almost hysterical Tornado, the Thames barrier, chorus about London botel major hospital building or prices concerns only a handful computer procurement would of hotels at the top of the luxury he regarded as transactions range. Paradoxically from all based, but they, and many simi- the figures, that I have seen, taken over by the executive. The lar areas of public expenditure, it is these hotels with the ect to my department's value for money investigations for many years past and the results reported to Parliament so that the public accounts committee could appraise the modation in geogral.

effectiveness of the administraion. of these charge prices as high Mr. Lafferty repeats the as the rates quoted in the comfamiliar criticism about nonqualified staff. Ever since 1921 E and AD staff had been given special training on a three-year day release course in financial and cost accounting, audit, and constitutional and commercial and why is no attention given law, supplemented by internal to the wonderful value for lectures and other training, woney which hotel prices in the They took externally set and rest of Britain represent? You marked examinations. The Chartered Institute of Public Finance and Accountancy now provides a first class professional syllahus well suited to the wide

stimulated by the Government's Green Paper and hy such contri-butions as those which the Con-Trusthouse For sultative Committee of Accountancy Bodies has made. We shall give all suggestions for improvement the attention they

(Sir) Douglas Henley. Exchequer and Audit Dept., Audit House. Victoria Embankment, EC4.

Public service rewards

vice that your Mr. Lafferty (January 30) has identified the major problem of persuading a don't chartered accountant to succeed the present Comptroller and norm of £65.00 per night is Auditor General. He tells us it absurd. One could argue with would be that of finding a equal logic—or rather ill-logic

suitable remuneration package."

If this tortured expression means much the same as what of British motor cars is the in our absurd civil service highest in the world, etc. With jargon we call "pay," it is masterly understatement the interesting that Mr. Lafferty Fr does admit in the footnote reckons the accountant would need just about twice as much of it as is paid now. This is well in line with the profession's view that the essential need is to make the control of public expenditure more expensive.

(Sir) Alan Neale, 37 Stormont Road, N6. London hotel prices

From Mr. D. Hearn. (January 29) calls for a reply. example wages (50 per cent.). (January 25) cans for a topy.

Mr. Segal's company as an hotel maintenance charges (67 per

able public sympathy, hotels

highest occupancies. Nevertheless they are entirely unrepresentative of London botel accom-

A current tariff guide lists 130 hotels in London; only two partive survey published on January 26. There are many thousands of good hotel rooms available in London at less than £25 per night. Why is no publicity given to these hotel prices The publish figures for Houston, Chicago and Los Angeles, why Birmingham, Manchester not Birmingham, Manchester and Glasgow to halance the

audit and we were happy to adopt it as our main, but not exclusive, qualification.

I am glad of the increasing interest shown in our main. The tourist industry is vital terest shown in our work, and I extent, is it too much to ask look forward to the informed that it should be applauded debate which I hope will be from time to time, instead of being constantly talked down? 86 Park Lanc. W1.

Paying for bed and breakfast

From the Chief Executive, British Hotels Restaurants and Coterers Association

Sir.—The FT in its survey last Saturday fell into the trap of basing its conclusions on a false premise; that because there are two international class Sir,—It throws useful light hotels in London which happen to charge £65.00 per night for about rewards in the public service that note. larly pay such amounts. They

> To hase your cost survey on a -that because a Rolls-Royce costs, say, £35,000 that the cost to its table that London bas which are not as expensive."

In fact, the majority of hedrooms, with bathrooms, in Lon- ance to small companies in their don cost less than £25.00 per night. There are at least twenty excellent budget class hotels Arch where two people can stay, with breakfast, for £15.00 or

Of course London hotel prices have gone np in the last two Sir,—Maurice Segal's letter years. But so have costs. For where there is no provision for

of the national workforce. There

was very tittle tendency then

for every major strike to become a general strike. Yet

today the Goodhart formula

can he read as a recipe for precisely that.

Look at the formula again. A is the ISTC striking against B which is the BSC. In the

first instance C is the ISTC in

against D, the independent pro-

ducers. But C and D could

very well be extended to include

all sorts of other sectors if other

unions were to take up the steel

workers' cause. That is an intolerable slale of affairs, particularly if it is suspected

that the real reason is to persuade the Government to

chaoge its overall policies.

private sector striking

Despite such cost increases the hotel industry is doing its utmost to keep its prices down. Ill-founded comment and publicity does immense damage to tourism and makes our internat ional competitors rub their with joy. 13. Cork Street. W1.

Less expensive at the Savoy

From the chairman, Saroy Hotel Sir.—In your survey of living costs, published on Saturday last, you quote £65.50 as the reakfast in London hotels, hy which you must mean the leading Loodon botels; and you say that the "soaring cost of London hotel accommodation" makes London the most expensive city in the world in which to slay.

Among the leading hotels of London, four of the most renowned are The Savoy, Claridge's, The Berkeley and The Connaught, In not one of these hotels is there a single that, with continental hreakfast, costs as much as £65.50, nor anything near it. and it remains very puzzling as to how this figure can have been quoted. Unfortunately, information

circulated around the world, which gives a false impression, however unintentional, does much harm to London and the nation's tourist trade. (Sir) Hugh Wontner,

Savoy Hill, WC2.
The Editor writes: The three London hotels chosen to represent the top grade of hotel were the Intercontinental, the Hilton and the Hyde Park Hotel. The average cost of a single room with hath is £62 including VAT and service, but excluding breakfast. The average cost of con-tinental breakfast is £3.50. Obviously it is possible to find a comfortable and convenient hotel in London for less. Equally, it is possible to pay

Unpaid bills

From Mr. D. Jerome. Sir, — Neither Mr. Stera (January 18) nor Mr. Whiteland (January 28) in their letters regarding charging interest on outstanding accounts make reference to the Law Commission report published in June 1978. This report recommended to the Government that interest on unpaid bills should be recoverable as a right even though it may not have been provided for in the contract.

It is typical of Government and other bodies that this report has been ignored to the detriment of commerce and in parmany good hotels adequate for ticular to exporting when most the travelling businessman European countries bave had this legislation for many years. It would be of particular assistcredit dealings with major customers to ensure that accounts were paid to terms by being within a mile radius of Marble permitted to charge interest Arch where two people can stay, where slow payment occurs. . At the present time, the courts have a discretionary

power to award interest on overdue commercial debts ever interest in the contract terms.

GENERAL UK: Sir Hedley Greenborough, Confederation of British

Confederation of British Industry president, meets Lord Carrington, Foreign Secretary. Iron and Steel Trades Confederation and National Union of Blastfurnacemen executive committee discuss strike action Water workers pay talks

British Gas Corporation meets unions on pay offer. Mr. John Biffen, Chief Secretary of the Treasury, speaks at Cockfield, Suffolk.

Mr. Mark Carlisle, Education Secretary, speaks at Burton-on-Trent, Staffs.

Today's Events Mr. Norman St. John Stevas.

Leader of the House of Commons, speaks at Longford, Middlesex. Post Office and unions meet on industrial democracy. Prioce Charles visits General and Municipal Workers Union

headquarters, Esher, Surrey. Sir Peter Gadsdeo, Lord Mayor of London, lunches with the Master and Officers of the Upholders' Company, Savoy Hotel. Exhibition of Valentines at Stanley Gibbons Gallery, Strand,

(until February 29t. Overseas: West European

Olympic Associations discuss President Carter's Olympic boycott call, Frankfurt.

tween Rhodesia and Zambia reopens after seven years' closure. Town and City Properties. loternational Boat Show opens, Vancouver (until February 10). PARLIAMENTARY BUSINESS House of Commons: Private 12.30. Members' motions. COMPANY MEETINGS

Victoria Falls road bridge be-

Cardiff Malting, Angel Hotel, Drama, 1.10. Cardiff, 12. Central Manufactur- Trombooe

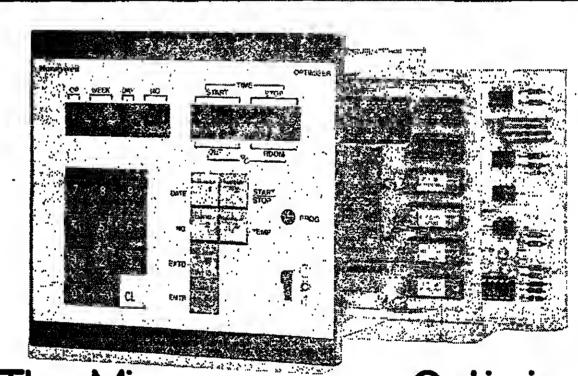
and Wheels, The Excelsior Hotel, Bath Road, West Drayton, Middx. 12. Vaux Breweries, The Seaburn Hotel, Sunderland, 12, COMPANY RESULTS Final dividends: Evode Hold-

Gaunt. M. L. Holdings. Whole-LUNCHTIME MUSIC, London Orgao recital by Micbael Howard, St. Paul's Cathedral,

ings. Juterim dividends: Rowland

Vlolin recital hy Detlaf Habn. Guildhall School of Music and

Cardiff. 12. Central Manufacturing and Trading, Midland Hotel, Nieman, St. Martin-within-Lud-Birmingham, 12. Flexello Castors gale, 1.15.



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Honeywell

Blundell passes £2m mark and pays 4.8p

FOLLOWING the directors' midyear expectations of a further increase, pre-tax profits of Blundell-Permoglaze Holdings, the paintmaking group, rose from £1.78m to £2.19m in the 12 months to October 31, 1979. At the half-way staga, the surplus was £689,217 compared to £603,436.

Another satisfactory result is anticipated for the current year, says the chairman, Mr. N. G. Bassett Smith. Regarding the steel strike, be remarks that the group's tin container stocks and the position of its suppliers sug-gest no real difficulties until perhaps the end of March, pro-vided there is oo major adverse development in the aituatim, A final of 3.6p lifts the divi-

Turnover weot ahead from

£18.95m to £20.78m, and tax is lower at £694,898 (£813,492). Last year, there were minorities' profits of £14.161 and an extraordinary credit of £138.675, but there are nooe this time, and net profits have riseo from £1.09m to

Lex examines the deal in which Vaux has sold its Lorimer brewery in Edinburgh and 214 pubs in Scotland to Allied Breweries. Addied issued 29m shares to Vaux which went through the marker by way of a vendor placing to realise £20.9m. The column also anticipates the reporting season for the best state of the state of 220.9m. The column also anticipates the reporting season for the high street clearing banks and ponders their vulnerability to an interest rate fall this year. Elsewhere, the stake in London Sumatra beld by Harrisons and Crossleid has crept up to 45.9 per cent, "W" Ribbans has said its loss-making West German seat-belt subsidiary, profits from paint group, Blundell Permoglaze have improved, but annual profits from Hill and Smith have declined by over 15 per cent Smith have declined by over 16 per cent.

naphtha and titanium dioxide, bave not impeded profits growth at Blundell-Permoglaze. Margins dend for the year to 4.8p — last have bene held abroad and im-year's total was 3.6p including proved at home, so the group has a special payment of 0.38p clearly managed to pass the rises following the lifting of controls. on to its trade customers, Blunon to its trade customers, Blutdell is slowly expanding its market abares (volume sales were
up around 2 per cent last year
against a stagnant industry
trend) and the balance sheet is
strong, but this is bardly a
growth stock. The only exciting
area is building chemicals, which
is still small and loss-making but stated earnings per 25p share are 23.4p, compared with 14.9p excluding the extraordinary credit. Divideods absorb £305,734 (£239,295).

Comment

The strength of sterling and rises of around a quarter in prices of raw meterials, cotally area to building chemicals, which is still small and loss-making but is developing a new product with significant sales potential in the UK and Europe. This alone, however, is insufficient to warrant a more demanding p/e than the 4.1 offered on published earnings by yesterday's share price of 100p. The dividend has been increased by a third and is covered almost five times on historic earnings, to produce a yield of 7.1 per cent.

Textured Jersey expansion

TAXABLE PROFITS of Textured Jersey rose from £284,000 to £343,000 in the half-year to October 31, 1979, on increased turnover of £4.62m. against £4.21m.

The directors of the jersey knitted fabric manufacturer expect sales and profitability to exceed last year'e level, when the pre-tax surplus reached £673,000.

The net interim dividend is raised from 1p to 1.5p—last year's total was 3p.

Tax for the half year took £126,000, against £88,000.

Pre-tax profits were struck Pre-tax profits were struck after depreciation of £120,000 (£129,000).

Rooms, London, W62, for 12

noon. Among the resolutions are

those to re-appoint Mr. Lucas

and Mr. J. G. Bizley who retire

by rotation.
Shareholders will be asked to

accept the 1978 accounts which

reveal pre-tax iosses of £135,000

compared with a profit of

£10,000 the previous year, on turnover up from £850,000 to

£1.46m. After tax and extra-ordinary credits, atributable

A transfer to capital reserves

of £75,000 increased retained

losses to £131,000 which were

Mr. Kidd says that, in view

transferred to revenue reserves.

of the various matters relating

to the 1979 figures still out-standing, "it is difficult to fore-cast the effect on the profit-

ability or otherwise on the company during the year to June 30, 1980."

ses were £58,000.

Gilgate accounts come in for heavy qualification

Gilgote Holdings, the property this is due, be says, to the fact February 22 at the Connaught and insurance group which is that the company is "strenu-Rooms, London, W.C., for 12 the subject of a major Depart- ously" contesting the winding ment of Trade investigation and up petitions from the Departhas been studied by the Take- ment of Trada, over Panel, yesterday published its report and accounts for the fact that last May the Take-over year to June 30, 1978.

anditors, Blair Saunders, which an ohllgation" to make a bid accompanies the accounts, runs for Gilgate at 8.75p but that the to two full pages and contains persons "principally concerned"

11 points of qualification. As a had told the Panel they "do not result, the auditors say, they accept that conclusion are unable to form ao opinion whether the accounts give a true and fair view" of the

The auditors' report, which is dated July 26, 1979, covers a number of transactions in which bave personal Pote. It also discusses Mr directors potential liabilities arising from winding up petitions he Department of Trade for a number of subsidiaries.

In addition, the auditors have been unable to obtain "satisfactory independent corroborative and Secured and National of the directors' valuation of group properties said by the directors to be guilty at Maidenhead Magis-worth £1.1m. They are also un-trates' Court of making loads sure whether further provisions to Gilgate, a connected comshould be made against invest- pany, contrary to the insurance ments in and debts due from ments in and debts due from companies acts. They are to subsidiaries which are shown at appeal against the convictions. a book value of £1.04m.

gises for the delay in preparing the accounts for 1979. In part called the annual meeting for

FINANCIAL RESULTS

Turnover

Taxation

Profit before taxation

Profit after taxation

Preference dividends

Profit attributable to

ordinary shareholders Earnings per ordinary share: including profit on realisation of investments

excluding profit on realisation of investments

DIVIDENDS PAID OR DECLARED DURING THE HALF-YEAR

Preference dividend No. 15 amounting to R55 000 (1978-R55 000) was paid for the half-year on the 8 per cent Redeemable Cumulative

Final ordinary dividend No. 51 of 22.5 cents per share amounting to 82 177 000 for the year ended 30 June 1979 (1978—15 cents—RI 451 000) was declared in June and paid during the half-year.

Interim ordinary dividends No. 52 and 53 of 6 cents and 14 cents per share respectively totalling RI 935 000 (1978—12.5 cents—RI 548 000) were declared in December 1979 payable in February 1980. The declaration was split in order to avoid any liability for

The market value of the listed investments of the Company and its subsidiaries at 31 Occember 1979 was R125799 000 (1978—R58 062 000) compared with a book value of R18 264 000 (1978—R17 341 000). The book value of the unlisted investments of the Company and its subsidiaries at 31 Occember 1979 was R7 806 000 (1978—R9 032 000).

Attributable to outside shareholders of subsidiaries

Year ended

1979

8 852

7 253

7 246

7 236

7 127

undistributed profits tax.

For and on behalf of the Board

W. F. Thomas

Registered Office:

Anglovaal House, 56 Main Street, Johannesburg 2001

31 January 1980

MIDDLE WITWATERSRAND

(WESTERN AREAS) LIMITED

(Incorporated in the Republic of South Africa)

Interim Report for the Half-Year ended 31 December 1979

The unaudited estimated consolidated financial results of the

Company and its subsidiarles for the above period are as follows:

Panel concluded that "persons The report of the new acting in concert have incurred

> The accounts do reveal that 36 per cent of Gilgate's shares are owned by three related companies, Highdash, Growth and Secured Life Assurance and National Investors Life Assurance, together with Mr. M. W.

Mr. Kidd, Mr. David James and Mr. Christopher Reynolds, all directors of Gilgate, have interests in companies which in turn control the three companies concerned.

Two of the companies, Growth Investors, together with Mr.

In a separate pending case in Mr. John Duncao Kidd, the the High Court, the Department chairman, comments briefly on of Trade is seeking to have Mr. the auditors' qualifications in Kidd. Mr. Reynolds and Mr. his statement. He also apolo- Lucas barred as directors. Meanwhila the board was

Half-years ended 31 December 1978

2442

2 438 55

2 383

4714

238

4 476

4 466 55

4 41 1

45,6 cents 24,6 rents

London Secretaries:

295 Regent Street

London WIR BST

Anglo-Transvaal Trustees Limited,

70

Newmark

PRE-TAX profits of f1.1im against £983,000 are reported by Louis Newmark, electronic and precision engineer and watch

distributor, for the six months to September 29, 1979.

Stated earnings per 25p share are 17.4p against 15.4p and the directors are declaring an interim divideod of 3.5p (3p)—last year's total was 3p from preciar profits total was 9p from pre-tax profts of £1.98m. Tax for the first balf was £577,000 against £511,000.

allowance has been made in respect of stock appreciation and excess capital allowances. Depreciation charged amounted £227,000 (£192,000).

Mr. G. L. Newmerk, the chairman, says that results for the first three months of the current year have been satisfactory, and were it not for the current national industrial unrest, the Board would have been forecast ing substantially increased profits to line with indation.

Bank Leumi progress to £340,000

With further progress in its business, particularly in deposits, loans and advances and the number of accounts, Bank Leumi (UK) lifted profits by £77,678 to £340,030 in 1979. The result is shown after tax and transfer to

inner reserves. The directors of the bank, which is e subsidiary of Bank Leurnl Le-Israel BM, point out that the profits reflect the general

that the profits reflect the general progress although the bank did not have the benefit of increased capital from its one-for-two rights issue until September.

A 5.768p net final dividend raises the total to 8.568p (8.2p) per f1 sbare, which absorbs £229,040 (£164,000). Retained profit emerged higher at £110,990 (£98,352).

At year end capital and

At year end capital and reserves stood at £5.63m (£4.44m) and subordicated loans amounted to £3m (£2m). Also current, deposit and other accounts bad reached £1film (£139m) and total assets £18lm (£158m). The new branch opened at Gants Hill, Ilford, this year has made a good start, the directors

CHILD HEALTH RESEARCH.

Child Health Research Invest-ment Trust announces that subscription lists for the ordinary shares being offered will open on February 5, not February 10 as previously anounced.

Reardon improves and sees return to profits

FIRST HALF loss was cut from is no material change in their £1.77m to £1.01m at Reardon assumptions, the group should Smith Line and the directors show a profit after depreciation bold out the possibility of the for thet period:
company showing a profit, after
depreciation, in the second six
months of the current year.

Smith that and the directors show a first depreciation
for the period:
For 1878-79 the pre-tax loss
depreciation, in the second six
months.

Because of forward commit-ments the group, which has been in loss for the past three years, was not able to take full advan-tage of the rise in freight rate levels during the balf year to the end of September 1979.

Turnover for the half-year was up at £11.22m, against £10.39m, but trading profit slumped to £595,000 (£1.06m). However, the sale of a ship produced £187,000 this time and investment income this time and investment income rose to £177,000 (£74,000).

In the meantime the company, has agreed to continue to pay only total dividend. Therefore, again there is no interim pay-

the company says.

Forecasting a considerable improvement for the second half the directors say that, if there Rearden Smith's future looks

is no material change in their much brighter now that freight rates are showing an upward show a profit after depreciation for their period. Trade bas agreed to a further

in the second six months.
Full benefit of the restructur-Full beneat of the restrictur-ing of assets over tha past few years is now beginning to show a more stabilised position, and the Board says it can confidently look forward to the future with further development in Reardon's activities.
Secured lenders have agreed

to a further deferment of loan capital repayments until the end of 1980. Repayments will be re-sumed in 1981.

fi.4im to fi.65m and the depreelation provision £712,000 lower
at £787,000 but there was an
exchange loss of £120,000 (gain
£13,000).

The results reflect the weakness of the dollar, increases in
bunker costs, port charges, storlng and in general running costs,
the company says.

deferment of loan stock repayments. Cash flow has also improved since the disposal of the last oil rig, leaving the group, with outstanding ship-building loans of around £16m. Although shareholders have had to forgo dividends (only token payments were made) for two

payments were made) for two years and the fleet has been decimated, the important point is that the company has survived. It would now seem that divi-dends will resume in 1981 at the earliest. Unfavourable currency movements and rising costs remain a beadache, but the prospect of profits in the second prospect or prouse in the second half suggests that the group could very nearly break even over the year. Both the ordinary and "A" sharee are unchanged at 87p and 70p respectively, giving a market capitalisation of £6.4m.

NEW SYLBET

The atatus, for tax purposes, of New Sylhet Holdings has been changed to "close company."

FNFC still owes £226m on loans from support group

DURING the current year, First arrears on the deferred loans so National Finance Corporation has that interest payments are up to been able to remit a total of date.

556.6m to the support groop 1 The oopaid loterest on the which, after allowing for the impact of interest, has enabled amounts to £6.28m and thie only the group to reduce the net amount borrowed by £24.96m, Mr. criteria laid down in the re-I. P. Glyn, chairman, tells sharebolders.

"However, this still leaves the large sum of £226,43m outstanding," the chairman says. As reported on January 11, the

group reported a pre-tax profit after provisions of £21.63m against £17.86m and a net profit of £20.38m (£17.72m). The net proft has reduced the net deficiency for shareholders to of this £37.98m and the solvency margin £12.36m. has increased to £33.54m.

The property market generally was very active and enabled the group to dispose of a consider consumer credit division able amount of the portfolio and further reduce liabilities, the at meeting after the AGM. chairman says.

that interest payments are up to

Because of high interest rates.

it bas been considered prudent in the lending and property division to take account of an additional future cost of \$1.2m in arriving at the net release in the year of principal provisions and suspended interest of £8.28m. After allowing for remaining net expenditure, pre-tax profit of this division amounted to

· A circular is being sent to loan stockholders giving details of a proposed restructure of the consumer credit division and holders' approval will be sought

The group balance sheet shows The group bas also been able current liabilities of £197.7m to meet all the current interest (£207.3m) including support due on the income and deferred group direct loans to the conioans and also the cumulative sumer credit division of £101.32m

(£98.22m) and support group'e income loans of £75.1m (£91.2m) Current assets of £218.97m £222.59m) include loans. advances and other accounts of f186.6m (£201.81m) and procrites held and in course of development, £20.91m (£11.39m).

Touche Ross and Co., the group's anditors bave again qualified the accounts, referring to the uncertainty in regard to the group's future as a going concern and the uncertainties relating to the amounts stated tha accounts for loans, property assets and related tax.
Meeting, Winchester House,
EC, February 26 at 2.30 pm.

SINGLO PREF. CONVERSION

As a result of the conversion on January 30 of the outstanding balance of the 10 per cent cumu-letive convertible preference sberes, the total issued ordinary capital in Singio Holdings is now £1.92m, comprising 19.17m ordipary shares of 10p each.

DIVIDENDS ANNOUNCED

| | | TW7 (T (* | | | |
|--------------------------|----------|-------------------------|---------|---------|-----------------------|
| | Current | Date of a payment | ponding | for | Totai iasi year |
| | halmen. | her them. | 4 | | 2.3 |
| Asley Industrialint. | 1.2 | April 8 | 1 | | |
| Bank Lenmi (UK) | 5.77 | March 27 | 5.52 | 8.57 | 8.2 |
| Blundell-Permegiaze | | | | | |
| Eldes. | 3.6 | April 1 | 2.05 | 4.8 | 3.65 |
| Garford-Lilleyint | | March 19 | 0.18 | _ | 1 |
| | | March 24 | | 3.5 | . 3 |
| Hill and Smith | | Security win | | | 113*† |
| IoM Steam Packet | | 700 | 111 | 10 | 752.1 |
| Lengton Ind. Hidgs. int. | 1.4 | March 28 | 1.25 | _ | 5 |
| Lonsdale Universal | 3.5 | April 3 | 2.8* | 5.17. | 4.14* |
| Louis Newmarkint. | | March 19 | 3 | _ | 9 |
| Ruo Estates | | March 7 | 7 | 4.5 | 9 |
| | | April 8 | 0.53 | | 1.39 |
| Stoddard Hidgsint. | | | 1 | | 3 |
| Textured Jerseyint. | | April 1 | | | |
| Warren Plantationint. | 3 | April 2 | 2.35 | | 8.25 |
| Dividends shown pence | er share | net except | where (| otberwi | se stațe |

Divinends shown pence per share not except where otherwise stated.

*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. No increase in final implied. § Including special payment of 0.38p. § Forecast 6.5p final. [] Including 0.5p anniversary payment.

*Gross throughout. Includes 4p bonus. †† Includes 14p bonus.

Second half rise at Hill & Smith

euffered from the engineering dispute. Trading in the first four months of the current year has been hetter, they add. Stated earnings per share are 14.23p against 17.04p but a final dividend of 2.5p lifts the total from 3p to 3.5p. A one-for-10 scrip issue is also proposed. Dividends absorb £174.800 (£144.294) after £41.704 (£35.480) waivers by certain directors and their familities.

familities. Turnover for the year amounted to £16.07m compared with £14.33m. There is no tax charge as the full liability will be erased by stock appreciation relief and accelerated capital allowances.

Non-recurring iosses involved in the closure of two companies in the closure of two companies in the contracting division, amount ing to £179,531 have been treated as an exceptional item.

Subject to an early end to tha steel strika with no major dis-ruptions, the directors are con-fident of resuming the pattern of annual profit growth this year.

comment

The drop in pre-tax earnings at Mil and Smith was almost in-evitable but the groom throughout the engineering sector had been just a trifle too general and the chares climbed 61p yesterday to 504p. Hill and Smith has experienced steady profits growth since it went public in 1969 and a recishould resume such progress in year.

SECOND HALF profits of Hill the current year. Last year's and Smith, the steel and engineering group, show the expected increase over the £309,987 half and by the engineering disachieved in the first six months, although the year's total of The cost of these two strikes may £880,136 still falls short of the £105m in the previous year.

The director was a first table of the current year. Last year's carnings were dampened by the engineering dispute in the latter six months. The cost of these two strikes may favor to about £250,000. But the group entered the steel strike with three-four months of The directors say first half results—down from £451,829—were affected by the transport strike and the second six months euffered from the engineering dispure Thalf and the second six months euffered from the engineering dispure Thalf and the second six months euffered from the engineering dispure Thalf and the second six months and the second six months and the second six months. month, though, the pinch will be felt. The dividend, as carlier predicted, has been raised to 3.5p, where it yields over 10 per cent and is covered four times. The p/e on stated earnings is

Portsmouth Sunderland

WITH third-quarter profits improving from £0.93m to £1.3m, the taxable surplus of Portsmooth and Sunderland Newspapers advanced to £3.13m in the 39 weeks to December 29. 1979, compared with £2.23m last

Turoover increased from £10.83m to £14.08m. After tax of £1.6m (£1.14m), stated earnings per 25p share are up from 9p to 12.7p. Attributable profil came through higher at £1.53m. against £1.09m.

On a CCA basis, the attributabie balance would have been £725,000 (£830,000), and stated earnings, Sp (6.8p).

Historic pre-tax profits reached a record £2.SSm for the 1978/79

Second Interim Report: Twelve Months to 30 September 1979

Group Results (unaudited)

30.9.79 30.9.78

Twelve Months to:

| | | | £mi | llions | Change |
|----------------------------------|---------|------|--------------|-------------------|--------------|
| Turnover | •• | | 6,672 | 6,676 | <u> </u> |
| Trading profit | | | 446 | 438 | +2% |
| Investment income | | •• | - 56 | 61 | -8% |
| Operating profit | • | ••• | 502 | 499 | +1% |
| Interest paid | •• | •• | 74 | 66 | +12% |
| | . •• | •• | 428 | 433 | -1% |
| Profit before taxation Taxation | •• | •• | 184 | 189 | -1% -3% |
| | • • | •• | 244 | 244 | -0 /n |
| Profit after taxation | •• | ••• | | | 49/ |
| Minority interest | . **_ | | 24 | 25 | -4% |
| Net profit attributable | e to E | A.T | | | |
| Industries Ltd | •• | •• | 220 | 219 | |
| Analyses by Industry Turnover | | | | | |
| Tobacco | | | 3,975 | 4,474 | -11% |
| Retail | | •• | 1,559 | 1,412 | +10% |
| Paper | •• | •• | 661 | 497 | +33% |
| Printing & Packaging | • • | •• | 176 | 153 | +15% |
| Other activities | | •• | 301 | 140 | +115% |
| | | | 6,672 | 6;676 | |
| · | | | | | |
| Operating profit | | | | | |
| Tobacco | •• | •• | 316 | 350 | -10% |
| Retail | . •• | ••. | , 34 S1 . | 24 49 | +42% |
| Paper Printing & Packaging | •• | •• | 14 | 12 | +65% |
| Other activities | •• | • | 57 | ئىد 64 | +17% -11% |
| Other activities | •• | •• | 502 | 499 | +1% |
| | | | | | |
| Taxation comprises: | | | | | • |
| Net U.K. corporation tax | | •• | 27 | . 29 | • |
| Overseas taxation | •• | •• | 157 184 | <u>159</u> 188 | |
| Deferred taxation | •• | •.• | 184 | 189 | |
| Total taxation as a pr | oportio | n of | 10.00 | | |

43.0%

43.6%

profit before taxation ..

Change of Year End

As already announced the Group's year end has been changed to 31 December. This unaudited interim report therefore covers the twelve month period to 30 September 1979 and the next audited accounts will be for the fifteen month period to 31 December 1979.

Dividends

The Directors today decided to pay on 1 April 1980 a third interim dividend out of the profit for the twelve munths to 30 September 1979 at the rate of 6.50p per share un the Ordinary Shares together with a special interim dividend at the rate of 5p per share nut of the profit for the three months to 31 December 1979 payable on the Ordinary and the Deferred Ordinary Shares.

To maintain the rights of both the Ordinary and the Deferred Ordinary Shareholders the third interim dividend and the special dividend referred to above have been declared in lieu of a final dividend for the fifteen month period to 31 December 1979.

The Deferred Ordinary Shares will automatically be converted to Ordinary Shares on 20 June 1980, the date of the Annual General Meeting.

Transfers received in order by the Registrar of the Company up to 29 February 1980 will be in time to be passed for payment of the third and special interim dividends. The three interim dividends in respect of the twelve months to

30 September 1979 represent an increase of 19.4% over the comparable dividends of the previous year as illustrated below:

| Dividends per 25p Ordinary Share | 1979 | 1978 | Increase |
|---|---------|--------|----------|
| 1st interim dividend paid 2 April 1979 | 4.84p | 4.40p | +10% |
| 2nd interim dividend paid 1 October 1979 | 6.00p | 5.00p | +20% |
| 3rd interim dividend payable 1 April 1980 | 6.50p | 1 | |
| Final dividend 1978 | | 5.12p | +27% |
| | 17.34p | 14.52p | +19% |
| Special interim dividend payable 1 April 1980 (payable also in respect of 25p Deferred Ordinary Shares) | · E 00- | | |
| Total dividends for 15 months to | 5.00p | | |
| 31 December 1979 | 22.34p | | |
| Impact of Exchange Rates | | | |

The results of overseas subsidiaries have been translated into sterling for the purpose of this report at rates of exchange ruling on 31 December 1979. Comparative figures have been translated at rates ruling on 30 September 1978. Over the intervening period sterling atrengthened against most currencies with a consequent adverse effect on the sterling figures now reported.

This adverse effect is estimated to have reduced turnover by £500 million, appraising profit by £48 million and net profit attributable to B.A. T Industries by £24 million. These estimated figures do not include the devaluations of the Brazilian Cruzeiro and the Argentine Peso against the U.S. dollar as such devaluations broadly represented the relative decline of the purchasing power of these currencies.

In other words, had currency results been translated into sterling at the rates of exchange ruling at 30 September 1978, except in regard to the two currencies referred to above, turnover would have been shown to have risen by 7%, nperating profit by 10% and attributable profit by 11% on the 1100.1010

REPORTS TO MEETINGS

Borthwick criticised over compensation payment

BY REG VAUGHAN

sation to Mr. David Burditt, cern. former managing director, who resigned from the Board last September, over policy

At a packed meeting, complaints were made about the size of the payment to Mr.
size of the payment to Mr.
Burditt, who had served on the
Board for only two years. A
holder said he felt it reflected very badly on the chairman and on the Board that this situation

had come about.
Dr. BHI Buller, the chairmao explained that legal advice bad heen taken over the payment, which had been arrived at on the basis of Mr. Burditt's service

agreement.
Dr. Bullen reported that group results were ahead of target in the first quarter of the current year. In the main-stream meat business there were no unexpected features, while in the retail butchers' operations to

France and England "encouraging results continued."

With the purchase of the Williams retail butchers chain from Booker McConnell—which the chalrman described as a

good buy — the Matthews (Butchers) offshoot now had 230 shops in the UK.
For the group as a whole, the chairman said there was ever:
indication that the current year's results would be satisfactory.
Concern was expressed by one shareholder over the position of the brokens.

Fresbbake. She wanted to know if the group had considered disposing of this subsidiary, which had made heavy losses. Dr. Buller said Fresbbake had been operating in very difficult mar-kets but there bad been a big improvement and the company was now breaking even.
Dr. Bullen said later that the

Dr. Bullen said later that the chains were moving ahead strongly. He estimated that the retailing side of the husiness would increase its profit contribution to around 50 per cent of the group total in the current year, 1978-79. He expected this per-

The chairman said the group planned . 10 mainlain its main meat busioess but ft almed to hulld up a strong retailing base counteract the cyclical nature of meat.

Dr. Bullen said the plan to established a joiot venture company in New Zealand was progressing very well. He expected this venture, which involved a regrouping of slaughtering and processing facilities, to contribute very significantly to group

profits. It would also enable bor-

rowings to be reduced. BROCKHOUSE

Profits of Brockhouse were lagging behind this time last year and would continue to do so until the group and its customers could get back to normal, said Mr. R. J. H. Parkes, cbairman.

The current year had sturted with the engineers' strike and its effects continued through October and November. Some improvement started to come throu2b December and January but then the group was faced with a stee! strike. Even when the steel strike was settled, he added, the knock-on cffect would be felt

some time. Naturally, orders on hand in the steel division were down, 8ut io value terms, the overall order book was in advance of this time

last year. He said that, given a similar level of activity to last year, the directors estimated that the energy bill would increase by some £400,000 this year. Current interest rates would increase costs by about the same amount. Overseas companies were performing very well, particularly in North America. The group had strong order books and the chairman was confident the year would show further progress. He added that negotiations were continuing with the appropriate ministry in Iran over escalation payments due to the group on its grain silo contract. The outcome was un-

MATT. BROWN

certain.

The performance of Matthew Brown and Co. so far this financial year was satisfactory, although very slightly less beer bad been sold than in the same period last year, Mr. C. J. Ainscough, chairman reported.

THE BOARD of Thomas Borthwick and Sons was criticised at
vesterday's annual meeting over
the payment of £88,000 compenthe payment of £88,000 compentalks with another retail contalks with another retail contions than last time.

RHM GROWTH

المكذا من الأمل

current half-year to March should show considerably unproved profits over the corresponding period last year, Mr. Joseph Rank, chairman of Runks Hovis McDougail, told snare-holders. But he cautioned that the improvement was subject to "no reflected in lower sales by the unforessen problems" occurring stores side with one store being Interim pre-tax profits totalled \$14.4m last time.

been difficult owing to "strikes and government legislation," said Mr. Rank, and he welcomed the demise of the Price Commission and the "favourable" policies of the present Government. Replying to questions about RHM's Wessex Finance Corpora-

tion subsidiary, Mr. R. G. Rogerson, finance director, agreed that its profits had been "disappointing" Wessex made £64,000 last year, against £611,000.

In view of the continuing £949,000.

difficult climate for floacee companies, Mr. Rank said, "if we £364,000 £373,000); stated earnwere thinking of disposal (of Wessexi, now would hardly be the time to be doing it."

HAYS WHARF

Sir David Surnett, chairman of the Proprietors of Hay's Wharf, reported that the favourable trading conditions experienced in the second half of last year bad cootinued into the first quarter of the current period and, despite losses in Belgium, profits were in excess of those of last year,

Results from the Belgiumbased companies remain unsatis-factory and their future was receiving the close attention of the Board. He said shareholders may have

noticed a recent reference in tha Press to the purchase by English roperty Corporation of about 24 acres, of lond from Renslade Investments (London). This land, be added, was originally assembled by Renslade in accordance with an agreement with Hay's Wharf (now expired) and represented an important part of the land in the Tooley Street area not owned by Hay's

of meat.

Recent beer price rises had

The groop was about to comrestored margins. But increasing plete the acquisition of the James
line sales costs and competition
the Blue Group, which operates 17 were expected to restrict hoped.

What!

Discussions relating to the
future of lbis area were contiming with English Property
Corporation in place of Renslade.

Second half downturn hits Lonsdale Universal

activities of office equipment depreclation and stationery and printing Attributable achieved record profils.

Midterm the group surplus bas been ahead almost £100,000 to \$840,000 and the company said that while there was some un-certainty in parts of its trading areas, it expected to maintain current trends for the full year. departmental store retailing is

Current negotiations for sale The year to September 1979 had of the group's remaining stores are likely to be completed over the next three mooths. This should release more than £1m towards reduction of borrowings Though current national con-

closed during the year.

ditions are beginning to affect an otherwise salisfactory start in the new trading period, Loosdale expects to maiotaio trading progress to 1979/80 and to benefit from the lower borrowing. For 1979/70 interest costs ing. For 1978/79 interest costs

£364,000 (£373,000); stated earnings per 25p share for the year were down 1.92p at 11.9p. The net total dividend is effectively

depressed taxable profit at Lons-dale Universal from a peak Group sales were £6.62m interests costs in the second half £1.62m to £1.45m for the year higher at £36.71m, and the of the current year Lonsdale to September 30, 1979. All divi- surplus was struck after managesions reported narrower trading ment cosis of £127,000 (£115,000) margins although the two major and £316,000 1£302,000)

Attributable profit came out at £979,000 (£1.11m) after £111,000 (£139,000) ordinary debits. Comparatives have

adjusted. retainty in parts of its trading resus, it expected to maintain rurreot treods for the full year.

The bookselling seclor did well overseas during the year but UK profits were lower due to less public library spending and some dislocation from a lenarimental story retailing is move to larger premises. the directors add.

comment

While Lonsdale sees continued buoyancy in most of its major markets and expects recent from 341,863 to £394,879 in the expansion to start bearing fruit, six months to September 30, 1980 can probably be regarded 1979. as a year of consolidation. In searing terms, at least, a pause for breath will be welcome. The of the department store retailing profits from joint vectures with non-associated companies of three months within the next chain probably within the next non-associated companies, of three months, will realise £65,048 (£9,992) and net receivapproximately book value or able rents of £69,827 (£44,026). between £1m and £1.5m and the proceeds will be applied to over-draft reduction. Gearing of £203,500 (£178,000), stated exceeded 70 per cent at the earnings per 10p share are 3.9p between £1m and £1.5m and the proceeds will be applied in overhalance sheet date. The squeeze (3.4p).

apparently worseoed in the IN his report to Tate and Lyle current year and with lower shareholders, Lord Jellicoe, growth. The divideod should tous be in no particular danger although, if a yield of 13 fi per cent looks somewhat over-

Hensher ahead in first half

IN LINE with the year-eod forecasi, pre-tax profits of Hensher (Furniture Trades) rose slightly

The surplus is struck after investment income and interest receivable of Fa6.540 (£32,319).

on margins, principally respons-ible for the 10 per ceet reduc-tion in pre-tax profits, bas not tax profits of £880,833 (£610,550).

Similar year at Warren Plants ALTHOUGH FIRST-HALF 1979 of tea stocks brought forward at

taxable profits were well down at £0,74m, against £1.72m, the directors of Warren Plantation Holdings say the shortfall bas been recovered in the second six months. Despite the strength of the pound which has reduced rseults in sterling terms, management accounts say that full year profits were similar to the previous year's £5.8m.

Turnover for the balf-year improved from £11.78m to f12.32m-interim results bave been produced for the first time In line with the group's continued expansion and develop-

The net interim dividend is stepped up by 28 per cent from 2.345p to 3p per 25p share and the directors anticipate recommending a final of fi.5p (5.905p).

The principal change io subsidiaries' results during the period was the poor performance from India, caused by very from £0.62m to £0.35m due to low tea production duo to drought and lower profit on sales

the beginning of the year, However, there were improve-

ments in the UK and Indonesia showing the henefits of the diversification poticy. In the UK, the first time inclusion of Joseph crop in Upper Assam was down Mason belped to offset other increasing expenses, while in Indonesla higher reveoue, some 10 per cent on last time Indonesia higher reveoue, arising to some extent from the 1978 devaluation, resulted in a substantially improved contribu-

With balf-yearly operatiog profits of Joseph Mason up from £325,000 to £518,000, the prob-lems of the barsh winter and the eogineering strike in the first quarter's tradiog were over-come satisfactorily. The advance bas continued in lbe following six monlbs and the directors bave

performance where prices and crops were

Tax charge for the six months was £0.34m (£0.99m) and after minorities, attributable profits

For 1979, the company's tea

due to the severe drought suffered in the early part of the year. In other tea areas, crops were similar to 1978. The directors say prices bave been disappointing but bave improved recently, and the group's con-centration on medium and highquality tea production means that the outlook is encouraging.

There was a material increase in its 1979 coffee crop although weather conditions during the factory. The world price for this commodity remained firm during

Despite the continued replanting programmes only a small rubber crop reduction was experienced, which was more than offset by an encouraging increase in oil palm fruit. World prices of these two commodities continue to provide the group with healthy profit margins. A share option scheme for senior executives is to be pro-posed at an EGM on February 18.

Garford-Lilley up at midway

From increased turnover of £2.88m against £2.3m, profits of Garford-Lilley incustries rose £193,225 to £240,355 in the balf year ended September 30, 1979, before tax of £121,985 (£100,477). Slated earnings per sbare are 1.75p against 1.41p and the in-terim dividend is lifted from 0.175p to 0.25p—the increase i to reduce disparity and does not imply an increased total for the

year, the directors say. 10 1978-79, the total divideod was 1p from record profits of £138.000. The directors say the first balf results are encouraging but the engineering and steel workers' strikes must have an effect to the second half of the current year.

The plastics and woodworking divisions did well but progress may out be maintained to the second six months because of unsettled conditions particularly

in consumer trade.

The board declines to give a profit forecast but hopes the steady treod of progress shown in recent years will be main

IoM Steam Packet pays 4p bonus

TO MARK the 150th anniversary TO MARK the 150th anniversary of the company's founding, the Isle of Man Steam Packet Company directors propose the payment of a 4p bonus to shareholders in addition to an increased dividend of 11p gross. Last year the dividend was equivalent to 10p, with a 14p bonus.

For 1979 net profits totalled £1.08m compared with £1.14m.
Depreciation accounted for £461.238 (£459,898) and tax took £169,000 (£230,000). The dividend and bonus absorbs £337,500 (£255,000).

The company will transfer £700,000 to general reserve and the balance carried forward is £310,278 (£272,549).

| | •• | Price | |
|-----|-----------------|-----------|------|
| | January 31 | rsice | +01- |
| | Sanco Bilbag | 309 | |
| | Banco Central | 224 | |
| | Banco Exterior | 211 | |
| - 1 | Sanco Hispano | | ÷2 |
| | Sonco Ind. Car. | 135 | |
| - 1 | Banco Madrid | | |
| | | 175 | |
| | Banco Santander | 244 | |
| | Banco Urquijo | 157 | |
| i | Sanco Vizcaya | 215 | |
| i | Banco Zaragone | 200 | |
| ŀ | Oragados | 105 | |
| - 1 | Espanola Zinc | 62 | |
| | Fecsa | 56 | |
| | Gal. Preciados | 37 | +1 |
| | Hidrola | 62.2 | ٠ |
| | Iberdueros | S1 | +0.B |
| | Petroleos | 115 | +0.5 |
| | Petroliber | 73 | TO,0 |
| | Carefina | | |
| | Sogefisa | 115 | 0.8 |
| | Tololonics | 56 | -0.2 |
| | Union Elect. | 63 | ÷0.8 |
| | | | |

30 January 1980

Tate and Lyle still cautious

sbarenolders, Lord Jellicoe, chairman, says the board is committed to pursuing vigor-£5.5m. There is a net loss of should be in a position to resume ously programmes of action to 15.2m after tax of £11.6m. restore the group to a more satisfactory level of profitability. But he again warns share-holders not to expect any after defensive at 58p, a fully taxed malerial improvement in overall extra- historic p/e of 7 is about right. performance in the near future. It must also be kept in mind that the current year has started with a further surge in the cost

of money and energy and with a particularly turbulent inter-oatlooal political scene," Lord Jellicoe states.

Much will also hioge on other factors largely outside the group's control. In particular, the profitability of UK sugar refloing depends on the terms of the new EEC sugar regime.

The chairman says that in general the group welcomes the EEC proposals and if implemented, these proposals should open the way for the EEC to joio the International Sugar Agreement "and curb the Community's wasteful and costly over-production of beet sugar." The level of heet quota reduc-tions which has been recom-niended is, in the board's view, realistic and will allow refined

cane sugar to compete on fairer terms, the chairman adds. For the year ended September 30, 1979, the group reported pre-tax crosts of £52m, against £2.6m, but the rise owed much to the inclusion of exceptional credits of £8.9m (£1.8m debit). The higher interest rales in 1979 will continue to affect the group

in the current year.

The proceeds from asset disposals and a much closer control of working capital have enabled capital expenditure of £25m to be financed from Internal resources. At the yearend net group borrowings were £98m against £115m a year carlier-bowever, some increase is likely in 1980.

CCA profit is reduced to £fi.4m turnover of £7.5m.

after adjustments including cost of sales, £8.6m, additional deoreciation, £9.1m and gearing,

The accounts also show a £50.000 payment to a former director. The group contributed Conservative £15,275 Party and £97,143 to UK charities.

Meeting, Europa Hotel, W. Feoruary 2S at 11.30 am.

Armour up to £253,000 midway

PRE-TAX profits of Armour Trust, industrial holding company, improved by £24,000 to £241,000 io the six mooths to October 31, 1979 from turnover higher at £121m against £3.89m higher at £4.31m against £3.89m Profit attributable increased from £215,000 to £253,000. There was again no tax charge.

No interim divideod is payable

and the board believes that in current circumstances it is prudent to cootinue to build up last year's final was 0.1p -

will be recommended, Mr. C. R. Lambourne, the chairman, says the company's profitability continues to improve and the Carter Penguin offshoot traded satisfactorily during the siz months. A modest increase to its profits for the year is anti-cipaled despite the competitive-ness to the confectionery industry

An agreement between Tele-sure and Distributors Finance was signed in September and its benefits to the group will accrue in the future. Pre-tax profits for the last full

year amounted to £373,000 from

BAT subsidiaries report

TWO SUBSIDIARIES of BAT maker, pushed up taxable profits Industries bave reported results from £33.77m to £41.43 for the for the 12 months to September 29, 1979. At International Stores there was a fam turnround to a profit of £120,000 at the trading after interest of £10,05m (£9.19m) level, while Wiggios Teepe Group and provision for improved pre-tax profits rose by some £10m. pension of £1.22m (£0.fi6m), but Taxable losses of international includes investment income of Slores deepened from £1.05m to £2.21m, after interest of £4.26m (£3.5ml and net surplus on rationalisation transactions of

Twelve months' turnover improved from £543.15m lo incres
£671.76m. After tax credits of ture. £0.47m (£5.84m), there was a net loss of £1.74m, compared with a profit of £4.79m. The figures include a £2.2m £1.63,47m (£1.45.6m).

loss on the woolesale division,

period on locreased turnover of £513.S5m. against £461.01m. The pre-tax surplus was struck

£2.3m (£1.S2m). At the six-months stage, pretax profits were marginally higher at \$4.76m, compared with

f1.93m (f7.79m).

At midway, there was a turn-round from a £3.45m profit to a £2.15m loss.

Twelve months' turnover impose the for stock and capital expendiincreases and capital expendi-

> Wiggins Teape, a subsidiary turned in pre-tax profits of \$8.97m (ES.32m) on turnover of The results reported are second

ndcb was sold on December 29. Interim figure, the year-end having been changed to Decem-Wiggins Teape Group, paper- ber 29, 1978.

INDUSTRIAL HOLDINGS LIMITED

(Previously Longton Transport (Holdings) Limited) INTERIM REPORT (UNAUDITED)

Half year Half year

| • | anded 30.9.79 | ended 30.9.78 | ended 31.3.79 |
|---------------------------|------------------|------------------|------------------|
| | £'000 | £.000 | £.000 |
| umover | 20,407 | 16,641 | 34.204 |
| Profit before taxation | 942 · | 824 | 1,654 |
| rofit after taxation | 738 | 545 | 1,511 |
| nterim dividend per share | 1.4p | 1.25p | 5.0n* |

*Includes the 0.5p special dividend All divisions in the Group showed increased profits in the half year to 30th September, 1979 as compared with the same period for the previous year. This improvement has been maintained during the last quarter of that

Provided the Group is not adversely affected by events bayond our controt an improvement in trading results as compared with the previous financial year can be expected. The same of the sa

M. J. N. Nightingale & Co. Limited

| 7/28 | Lov | at Lane London EC3R | 8EB. | Teleph | one : (| 1-621 | 1917 |
|-------------|-------------|----------------------|-------|--------|------------------|-------|------|
| 157 High | 9-80 Low | Company | Price | Change | Gioes Div (p) | Yield | P/E |
| 99 | 73 | Airsprung Ord | 73 | | 5.7 | 5.2 | 4.3† |
| 50 | 38 | Armuage and Rhodes | 38 | _ | 3.8 | 10.0 | 2.St |
| 228 | t85 | Bardon Hill | 228 | _ | 13.8 | 5.1 | 6.7t |
| 100 | 85 | City Care 10.7% Prel | 87 | _ | 15.3 | 17.6 | |
| 101 | 63 | Reborah Old | 89 | -1 | 5.0 | S.E | 5.8 |
| 353 | 140 | Deborah 174% CULS | 350 | _ | 17.5 | 5.0 | _ |
| 94 | 88 | Frank Horsell | 94 | _ | 7.9 | B.4 | 5.8 |
| 129 | 100 | Frederick Parker | 108 | _ | 12.B | 11.9 | B.4† |
| 156 | 105 | Georgo Bleir | 106 | _ | 18.S | 15.S | |
| 62 | 45 | Jockson Group | 60 | _ | 5.2 | B.7 | 3.51 |
| 153 | 115 | Jamos Burrough | 115 | _ | 7.2 | S.3 | 10.1 |
| 300 | 242 | Robert Jenkins | 250 | | 31.3 | 12.5 | 8.01 |
| 232 | 175 | Tordey Limited | 223 | | 14.3 | 5.4 | 5.5t |
| 34 | | Tun-lest O-d | 2214 | - 07 | 0.B | 3.8 | |
| 80 | 70 | Twinlock 12% ULS | | ~- 0% | | | 4.21 |
| 56 | | Heilenb Helding | 76 | | 12.0 | 15.B | |
| | 23 | Unilock Haldings | 55 | _ | 2.5 | 4.7 | 11.7 |
| - 84 | 42 | Walter Aloxander | 82 | _ | 4.4 | S.3 | 5.4 |
| 190 | 136 | W. S. Yeales | 185 | +1 | 11.5 | 6.2 | 7.2 |

† Accounts prepared undar provisiona of SSAP 15.

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Group Overview

to B.A.T Industries.

profit for the twelve months to 30 September 1979 show only a small improvement over the same period last year, due mainly to the adverse effect of currency movements mentioned above. In local

currency terms, all sectors of the group improved both turnover and profit against a difficult and deteriorating world economic background.

The effects of currency translation are most marked in tobacco, but also depress the sterling results of retail and paper and, to a lesser extent, printing and packaging.

The improvement in retailing stemmed mainly from Saks, Kohls and

In the paper activity, the benefit of a full year's results from Appleton accounted for over balf of the improvement in this sector, but the Wiggins Teape Group also achieved profit growth significantly in advance of

In printing and packaging, Mardon Packaging, which became a subsidiary after the end of the period covered by this report, continued to improve its performance. Despite the substantial adverse currency movements and higher interest charges, there was a small increase in the net profit attributable

Tobacco

Sales volume continued to increase, as also did profits in local currency terms. Adjusting for the effects of translating currency figures into sterling, operating profit would have increased by 1% compared with 1978. In the United States, domestic sales volume suffered a small decline although export volume continued to grow. Two price increases during the year are reflected in improved dollar profits.

In Europe, Germany achieved a small increase in volume through

improved exports. Profit however has been under pressure from rising costs. In the rest of Continental Europe, profit showed a small increase despite a slight decline in overall volume.

A firm foothold has now been established in the U.K. domestic market,

but results have suffered from the high cost of securing market chare. Export volume was higher but the strengthening of sterling and rising Export volume was higher but the strengthening of sterling and rising costs reduced export margins.

In Latin America, the Brazilian business continued to grow despite competitive activity, rising costs and accelerating inflation. Although sales moved ahead at a slower rate, market share was maintained. Profit improved in local currency terms, helped by two price increases, but suffered considerably when translated into sterling. In Argentina, the business has had a successful year and increased its contribution to Group profit. Sales in Venezuela increased substantially, but profit suffered from an increase in tobacco taxation in January, though a comparable price increase was not approved by Government until September 1979.

In Central America, the majority of companies achieved improved.

increase was not approved by Government until September 1979.

In Central America, the majority of companies achieved improved results despite very difficult political conditions.

In Asia, sales and profit continued to grow and the substantial increases from this region made an important contribution to Group results. In Indonesia, Hong Kong and Pakistan had particularly good results. In Malaysia, sales recovered from the effects of a trade boycott earlier in the year and profit was maintained at last year's level.

In Africa, improved margins have led to a satisfactory increase in profit despite shortages of materials due to lack of foreign exchange, particularly in Nigeria during the earlier part of the year.

in Nigeria during the earlier part of the year.

 $V_{i}^{2}(k)$

Adjusting for the effect of translating U.S. dollar figures into starling, turnover would have increased by 18% and operating profit by 57% over

In the U.S., Saks continued its highly successful performance increasing its sales and earnings at a rate substantially in excess of inflation.

Gimbels also had a better year with an encouraging improvement in sales

and increased gross margins.

Kohl's food store volume was maintained and improved efficiency yielded higher earnings. Kohl's department stores had outstanding

yielded higher earnings. Roll such a super and the sales and earnings. In the ILK, the intense price competition in food retailing eased. In the ILK, the intense price competition in food retailing eased shiptly. International Stores strengthened its Supermarkets division by slightly. International Stores strengthened its Supermarkets division by the acquisition of MacMarkets in July 1979. This has been followed since the end of the period by the disposal of the wholesaling interests to Booker McConnell as at 29 December 1979. Profit on trading has improved

during the year to 30 September 1979 without yet having fully benefited from the MacMarkets acquisition.

The Argos catalogue showroom business was acquired in May 1979 but because of its seasonal nature had little effect on the results to 30 September 1979.

Paper

Both the U.S. and Brazilian results were particularly affected by

exchange factors; adjusting for these, turnover would have been £31 million higher and profit some £5 million higher.

Appleton, in the U.S., has been included for a full year which accounts for over half of the increase in profit. The performance of this business has exceeded expectations and it is maintaining its position in a strongly

In the U.K., total sales volumes of the paper manufacturing husinesses showed general improvement, as also did profits despite continuing competitive pressures, including import penetration, disruption from the countrywide industrial action in February and the adverse effects of the severe winter. In particular, excellent results were achieved by fine papers division. The Fort William pulp mill continued to make losses. There was further growth in exports of Wiggins Teape products despite the adverse

effects of the strengthening of sterling against major currencies.

In Europe, there were substantial increases in both sales and profits for all businesses. The Belgian based *Idem* results were particularly outstanding with sales reaching record levels. The merchanting and distribution businesses also had a successful year with increased profit.

There was general improvement in operations elsewhere in the world, including Breatly where trading was strong, although profit was educated.

including Brazil where trading was strong, although profit was adversely

Printing and Packaging

affected when translated into sterling.

On 8 November 1979, the Group purchased Imperial Group's 50% interest in Mardon Packaging International for £87.8 million. For the 12 months to September 1979, MPI has continued to be treated as an associated company and therefore the turnover and profit included in this

report and shown opposite comprise only the Group's 50% interest.

MPI's turnover increased by 15% whilst operating profit rose 17% in
spite of adverse exchange movements. The U.K. and European operations
again improved their results and the folding carton businesses in particular had a good year. Flexible packaging again achieved excellent results and the Cundell group also performed well in its second year of MPI ownership.

In Canada, results were adversely affected by a regional strike of litho

printers but the graphics and forms businesses and the flexible packaging

Other Activities

The increase in turnover is largely due to the inclusion of the Pegulan home improvements business in Germany, which became a subsidiary during the year. Of the operating profit of £57 million Pegulan contributed £10 million and Cosmetics £6 million, the latter reflecting a continuing improvement. The remaining £41 million was mainly income from short and medium term investments.

Expectation for the 3 months to 31 December 1979

operations in the United States performed well.

Tobacco product sales volume in the quarter to December 1979 was running slightly ahead of that of a year earlier and operating profit was being maintained despite the squeeze on margins through the continuing

Retailing in the U.S. had a hetter Christmas season than in 1978 and paper and printing and packaging maintained, in most areas of their activity, the levels of performance achieved in the first nine months of 1979 although there has been some patchiness in the U.K. reflecting the more difficult general economic environment.

Overall, it is expected that operating profit in the last quarter of 1979 will at least match that of the last quarter of 1978. The results for the whole fifteen months to 31 December 1979 will be translated at the rates of exchange ruling at that date.

BAT Industries Limited · Windsor House · 50 Victoria Street · London SW1H ONL

MINING NEWS

Prices of larger gems to rise by 12%

BY KENNETH MARSTON, MINING EDITOR

As usual, no details of tha increases are disclosed, but they will take effect from the February 18 sight (selling occasion, of which there are 10 e year) and will vary according to quality and size. The effect will be of an overall increase in all rough prices of 12 per cent.

The previous average price increase was of 13 per cent in Septimer 14 per cent in Septimer 15 per cent in Septi

DIAMOND prices are to rise again, but only those of the larger stones of one carat and above marketed by De Beers' Central Selliog Organisation on behalf of the South African group and other producers—about 85 per ceot of world production.

As usual, no details of the increases are disclosed, but they will take effect from the February 18 sight (selling occasion, of which there are 10 e year) and will vary according to quality and size. The effect will selected in the second week of March about 5 cents (2.7p) to 70 cents (2.7p) to 70 cents. Some that, of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some that of 30 per cent in Angust, about 5 cents (2.7p) to 70 cents. Some thas expected in the about 5 cents (2.7p) to 70 cents. Some thas expected in the 1979 dividend total; the past year's results are due in the second week of March. The latest diamond price increase brightens prospects for the current year and there is a good chance that the relatively attractive prices of small diamonds has remained good, a heavy surplus—guessed to take profits on its stocks.

In addition, De Beers Is heading for a fresh increase in its gold dividend income. Yielding

demand and allow the group to take profits on its stocks. In addition, De Beers is heading for a fresh increase in its gold dividend income. Yielding 8 per cent on a three timescovered dividend at the current price of 486p, the shares are now looking more attractive.

Seltrust gold hopes boosted

LATEST exploration results from the Griffins Find in Western Australia sbow that Selection Size, having the considerable Trust is proving up what is likely benefits of a relative modest capital demand and the promise of a fairly quick cash flow.

Selection Trust's Australian noit, Seltrust Mining, is drilling et Griffins to earn 60 per cent of a joint exploration with Otter

Gold mineralisation is present in a lens about 200 metres in length and op to 80 metres in width. Seltrust said yesterday in its latest quarterly report. The host rock is weathered down to about 25 metres and gold values continue in the rock below.

Work to estimate the ore reserves is going ahead for use in e feasibility study. But the exploration looks as if it has gone sufficiently far for the group to consider making a decision about possible production by the end

of the year.

In tha three months to
December, Seltrust completed 65
reverse circulation rotary percussion holes, intersecting gold at depths down to 46 metres and seven diamond drill boles, intersecting gold at depths down to just over 104 metres.

The best results from the per-cussion drilling were an inter-section over 39 metres grading 6.2 grams of gold per tonne of ore, another over 30 metres grading 5.6 grams and a third over 10 metres grading 7.0 grams. In one of the diamond drill holes there was an intersection over there was an intersection over company through the purchase 10.85 metres grading &6 grams. of the 25 per cent interest held

of a fairly quick cash flow.

In London yesterday, Selection
Trust shares fell 4p to 694p,
while Seltrust "A" shares were
unchanged at 198p. Otter shares
fell at one stage to 75p but rallied
to close nuchenged at \$1p. to close unchanged at 81p.

White: buying spurt prompts inquiry

THE Sydney Stock Exchange has asked the directors of White Industries, the Naw South Wales to after hectic trading yesterday, 165 reports James Forth from

> The sbares rose A\$5 to A\$15 (734p), making a jump over two trading days of A\$7. In mid-December the shares were A35. Yesterday more than 1.1m sbares, or 11 per cent of the issued capital, were traded.

> Suddan buying of White shares erupted after reports that Mr. Alan Bond, the Western Australian businessman, was in-terested in building up what is believed to be his stake in tha

bought into White in late 1978 But spokesmeo for both the group and for Bend Corporation denied any arrangement over the White shares or involvement in the market activity of the last

two days.

There has also been speculation that Mitsubishl, which bolds 9 per cent of White and 40 per cent of White's proposed Ulan development, has been buying the shares, but local spokesmeo for the Japanese group said they had no knowledge of any activity. The White directors have been

asked to reply to the Stock Exchange queries today. They have been asked whether there are any important matters pending, whether they suspect in-sider dealing and whether they are aware of any person who has been dealing in the stock since December 1.

EARNINGS SURGE AT MIDDLE WITS.

Middle Witwatersrand (Wes tern Areas), the mining finance subsidiary of South Africa's Angle-Transvaal Consolidated, bosted net profits 85 per cent to R44m (£2.38m) in the six months to December from R2.38m in the same period of 1978, it was announced yesterday.

The rise reflects mainly the higher dividend flow from its holdings in precious metals stocks. Middle Wits has interests in, among others, Blyvoor, Buf-felsfonteln, Hartobeestiontein, Vaal Beefs and Bustenburg

NEWS ANALYSIS—VAUX SCOTTISH SALE

Surprise move makes sense for both sides

muscle in to the Scottish opera-

stronger presence in the tied

deal. Firstly, it will have e

THE ANNOUNCEMENT that Scottish beer market. With the to be provided from England.

Allied Breweries was buying major brekers freed from Price The losers from yesterday's match could well be S & N and subsidiary of Vaux, took competitors and sharebolders by surfices have intensified to be provided from England.

The losers from yesterday's match could well be S & N and ing their local brews, its difficulties have intensified by the under more vigorous pressure Allied's motives for buying Lorimer's were similar. The group's market share in Scotland prise. Yet, with hindsight, the move makes clear sense for both

gronp's market share in Scotland is less than 100 per cent, which compares with around 45 per cent for S an N and at least 30 per cent for Bass. Particularly in which have undermined customer confidence, Allied needed to inject new Allied is strengthening its Scottish presence to attack the dominant brewers in the area—Scottish and Newcastle and Bass—while Vaux is picking up a bandsome price for a substitiary which has produced an unsatisfactory return on capital and last year barely broke even after interest charges. tion.
Two advantages will accrue to
Allied immediately through tha terest charges.

Under the terms of the agreement, Ind Coope, the Allied subsidiary, will receive 214 pubs as well as a hotel and a restaurant. It also obtains a brewery, but this is being closed. To pay for the package, Allied has issued 29.6m new shares to Vaux, which bas placed them on the market at 71 fp. netting the regional presert \$20.8m. brewer £20.9m.

stronger presence in the tied trade, where margins are under less pressure than in the free trade. Until now, Allied has had only 40 pubs in Scotland.

Furthermore, it will enable the group to scak up spare capacity at its Alloa brewery, which produces Skol and Diamond Heavy for the Scottish market. According to Mr. John Clemes, Aliled's finance director, Alloa has enough spare capacity of handle all the new business, though other beers will continua The spayment corresponds approximately to the net book value of Lorimer, which is £21.1m. As the properties were revalued last year, this is probably close to the current value of the assets. further payment will be made either to or by Vaux to reflect any change in net assets up to completion.

Vaux is therefore receiving a useful price for e company which has shown a drop in profits from £1.7 to £1.2m over the past three years. When interest charges are included, the return has been

still lower. Vaux will use the cash to pay off overdrafts and strengthen its presence in the North of England, through pubs and hotels. As a first step in this direction, Veux has hought ten pubs and one hotel from Allied

Though large hy the standards of regional brewers, ranking with Greenall Whitley, and Wolver-bamptoo and Dudley, in the top three, Vaux bad a disadvantafe in its rather wide geographic

The most successful regional brewers, such as Greene King and Grenall, bave a concentra-ted network of outlets which enable them to control distribution costs, maximise their advertising budgets and huild up local brand loyalty.

Vaux's deckning market share in Scotland has been caused in part by its low ininitial penetra-

tion of a large market Lorimer's had only about 2 per cent of the

Ruo Estates profits halved

are announced by Roo Estates Holdings for the year ended June 30, 1979. The company grows and manufactures tea in Malawi. With turnover £0.43m lower at £1.29m, pre-tax profits for the year dropped from £605,228 to £300,519. In October, the directors forecast a substantial fall in profits resulting from a reduction in crop mainly due to climatic reasons, e consequent rise in production costs and a general fall io tea prices. Following the omission of the interim dividend, e final of 4.5p

net compares with the previous year's total of Sp. Stated earnings per 25p sbare were down from 21p to 13p.

Tax for the year took £123,778 (£319,849). Exchange losses are no longer charged to the company's results but to its reserves end as a re-sult, a charge of £82,564 (£12,222) bas been made against reserves.

First-half rise for Longton

TAXABLE profits of Longton Industrial Holdings advanced from £824,000 to £942,000 in the

from £522,000 to £942,000 in the half rear to September 30, 1979. In the last full year, there was a record surplus of £1.65m compared with £1.15m.

Turnover went ahead in the six months from £15.64m to £20.41m. The tax charge is lower at £204,000 (£279,000).

Statad earnings per 25p share rose from 7.81p to 10.88p and the interim dividend is increased from 1.25p to 1.4p—last year's total was 5p, including a 0.5p special anniversary payment.

Activities of the group, which on November 1, 1979, changed its name from Longton Transport (Holdings), including road transport and freight handling, steel stockholding and engineering stockholding and engineering supplies, vehicle and construc-tion plant distribution and repair, crane hire and insurance brok-

MIDLAND BANK STATISTICS

Statistics compiled by Midland Sank show that the amount of "new monay" raised in the UK in January was £28.0m, a sum broadly similar to the £32.3m and £32.7m raised in January 1978 and 1977 respectively but only a quarter of the December total of £106.0m.

Issues by public bodies accounted for two-thirds of the months total, in contrast to the months total, in contrast to the months to the least of activity.

generally low level of activity in 1979. Twenty local authorities made 24 bond issues in amounts ranging from £250,000 to £2.5m.

Stoddard falls in first half

carpets, dropped by £56,000 to £370,000 in the six months to November 30, 1979. Turnover November 30, 1979. Turnover improved from £12.5m to £12.5m. Demand remained firm throughout the first half, but bad not been as buoyant as previously, states Sir Robert Maclean, the chairman. The Board believes, however, that despite the challenges of the market, Stoddard should hold its mostifier in the industry. Vaux in Northern England. Mr. Peter Balfour, the group's chairman, accepted that competition will be more severa but adds philosophically that he is used to position in the industry.

A cautious entry has been made into the "tuffed" market and this is only modestly reflected in the turnover. The

shares. The placing took around 13 hours, but some institutions were apparently reluctant to take on shares which thay could not trade immediately. The shares will not be listed until the OFT makes up its mind. Moreover, the share price performance of Allied recently has done little to inspire enthusiasm.

be under more vigorous pressure from Allied in Scotland and from

given the dominance of the two major brewers in Scotland, the OFT may decide the arrangement actually strengthens competition

In the area.

The delay in approval created

some uncertainty yesterday, how-ever, when Cazenove placed the

50

8.80

13.50

1219

40

4317

.72.50

F.118.40 Rr, 6510

20,40

523 F. 160.10

F.115.90

\$1074

EUROPEAN OPTIONS EXCHANGE

The deal must still clear the hurdle of the Office of Fair Trading. A decision on whether it will be referred to the Monopolies Commission can be expected in about three weeks. But, infeed unit is not yet breaking even, but progress is being made and in the long term It is expected to contribute to profits. The interim dividend is increased from 0.5320 to 0.5569—a final of 0.8576p was paid last year, when total profits were 1723,000. Stated earnings per 25p are 2.16p against 2.49p. There were exchange losses of £88,000 (£91,000) and financial charges of £244,000 (£223,000). Tax charged was slightly lower at £192,000 (£222,000).

> Technology Tst. After-tax earnings of the Tech-ology Investment Trust ad

BOARD MEETINGS

PUTLINE DAYES

vanced from £318,046 to £509,260 for the six months to November 30, 1979. Gross revenue was ahead at £812,690, compared with

Net asset value et the half year is shown as 137p per 25p share, against 140p last time. As already known, the interim divideod is being raised from 1p to 1.5p nat and there is a special interim of 0.36p in respect of payment of arrears of divideods received. A final of at least the same as last year's 21p

BANK RETURN BANKING DEPARTMENT 3.316,417 - 99,356,502 1,171,528,128 - 49,356,502

ISSUE DEPARTMENT 6,248,078 - 84,820,324 + 84,820,524 9,626,000,000

FOOD PRICE MOVEMENTS January 31 Week ago Month ago BACON t per ton ... British A.1 per ton ... 1,220 Ulster A.1 per ton 1,220 BUTTER 13.60/13.77, 18.07 10 kg 18.75 CHEESE! English cheddar 1,505/1.5 Irish cheddar 1,535.95 Danish cheddar 1,420 1.505/1.560 1,410/1,440 1,420 EGGS* 4.50/5.20 5.30/5.70 4.60/4.80 Size 4 Size 2 4.70/4.90 5.00/5.10 January 31 Week ago Month ago Scottish killed sides 64.0/68.0 63.0/67.0 65.0/69.0 Eire forequarters English NZ PLs/PMs 44.0/54.0 51.0/52.0 46.0/56.0 50.0/51.0 PORK All weights 37.0/50.0 36.0/50.0 38.0/5L0 POULTRY Oven-ready chickens ... 37.0/46.0 37.0/48.0 38.0/42.0 *London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks delivered, per tonne.

Feb

BA C \$50 0 184g
BA C \$50 - BA C \$60 - BA C \$60 - BA C \$60 - BA C \$60 - BA C \$70 - BA

C=Call

P=Put

May

| 000 | | 00 | | | 14 C

The British Petroleum **Company Limited** Ordinary Shares of 25p each

Offer for Sale by the Bank of England on behalf of H.M.Government

Final Instalment Due 6th February 1980

The Bank of England wish to remind holders of Letters of Acceptance that the final instalment of £2.13 per Share MUST BE PAID BY 3P.M. ON 6TH FEBRUARY. Cheques for the amounts due, made payable to the Bank of England and crossed "Not negotiable -- BP Shares", must be forwarded, with the LETTERS OF ACCEPTANCE, TO THE APPROPRIATE RECEIVING BANK WHOSE NAME AND ADDRESS APPEARS IN THE BOX ON THE RIGHT-HAND SIDE OF PAGE 1 OF LETTERS OF ACCEPTANCE.

Registration of Renunciation

The attention of holders of renounced Letters of Acceptance, i.e., those with Form X completed or marked "Original duly renounced", is drawn to instruction 5 on page 3 of the Letter. The removal of United Kingdom exchange controls means that the declaration at the foot of Form You page 4 need no longer be made. Accordingly it may be deleted when Form Y is signed prior to lodgment of fully paid Letters for registration of rerunciation on or before 3 p.m. on 20th February.

GARFORD-LILLEY INDUSTRIES LTD.

INTERIM REPORT

The directors amounce the unaudited results for the half-year ended 30th September, 1979, as follows:— Half year to Half year to 30.9.79 30.9.78 £ 2.303,765 2,876,562 Group Profit, before Taxation 193,225 124,985 Profit after taxation 115,370 92,748 Earnings per share

Tha Directors have declared an Interim Dividend in respect of the year ending 31st March, 1980, of 0.25p a share (1979—0.175p), absorbing £16,482, payable on 19th March, 1980, to shareholders registered at close of business on 26th February, 1980. The interim dividend has been increased in order to reduce the disparity between the interim and the final, and does not imply an increase in the total distribution for the full year, which will be considered when the final results are known.

The results for the first half of the current year are encouraging in respect of all activities, and might have pointed to a very satisfactory increase in profits for the full year. However, both the engineers' and the steelworkers' strikes must have soms indirect adverse effect on operations in the second half, and, whilst the Plastics and Woodworking Divisions did well in the period under review, it may not be possible to maintain tha same progress because of the unsettled conditions prevaling,

particularly in the consumer trade. Because of these direumstances it would be nowise to forecast how the Group will fare et the end of the financial year, but the Directors hope that, in spite of the many problems, the steady trend of progress of recent years will be maintained.

Clearly any future operation at by Mr. Kerry Packer's Consoli-Griffins would be small by South dated Press group. African standards. But it would Coosolidated Press first 1979 RESULTS The Directors of Gallaher Limited announce the following figures, subject to audit, in respect of the year ended 31st December, 1979:

(All figures in £ millions)

| GALLAHER LIMITED AND | 1979 | 1978 |
|-------------------------------------|---------------|---------------|
| SUBSIDIARY COMPANIES | | |
| GROUP SALES (Note 1.) | 4 400 0 | |
| Tobacco - Domestic | 1,098.9 | 1,035.9 |
| - Overseas | 176.2 66.8 | 170.3 59.3 |
| Engineering Optical | 40.6 | 34.9 |
| Distribution | 238.8 | 222.9 |
| | 200 | |
| | 1,621.3 | 1,523.3 |
| GROUP TRADING PROFIT, | | |
| before Interest | | |
| Tobacco - Domestic | 45.2 | 39.4 |
| - Overseas | 3.9 | 3.5 |
| Engineering Optical | 5.4 7.1 | 3.9 6.3 |
| Distribution | 31 | 2.4 |
| Groop Financing (Note 2.) | 13 | (loss) 0.5 |
| | | 4.00,000 |
| | 66.0 | 55.0 |
| INTEREST CHARGES | 2.8 | 4.0 |
| GROUP PROFIT, before taxation | 63.2 | 51.0 |
| TAXATION (Note 3.) | 17.6 | 26.2 |
| GROUP PROFIT, after taxation | 45.6 | 24.8 |
| MINORITY INTERESTS | 0.2 | 0.2 |
| · | 45.4 | 24.6 |
| EXTRAORDINARY ITEM (Note 4.) | (profit) 0.3 | - |
| GROUP PROFIT attributable to | - | |
| ordinary shareholders | 45.7 | 24.6 |
| ORDINARY DIVIDENDS | 24.6 | 21.2 |
| PROFIT retained for the year | 21.1 | 3.4 |
| Depreciation charged in arriving at | | |
| Como Tradina Drofit | 1 120 | 117 |

NOTES

L Group Sales. Sales exclude VAT or its equivalent.

Group Trading Profit

The comparison for sales of domestic tobacco graducts has been affected by Duty increases

12.9

11.7

2. Group Financing. Group financing is mainly the exchange profit/loss incurred on foreign currency borrowings to finance overseas investment.

U.K. Corporation Tax has been based on a rate of 52%. The charge has been reduced by £14.1 million as a result of the write off of stock appreciation relief under the Finance (No. 2) Act 1979. 4. Extraordinary item. The profit arises on the sale of trade investments.

Googranies UK COMPANY NEWS

BIDS AND DEALS Eurocanadian to sell Manchester Liners stake

Enrocanadian Shiphnidings bas undertaking and nver the last agreed to sell its 37.6 per cent stake in Manchester Liners to due of its own sharebolders, Canadian National Railways. Emecanadian built up its stake

epulgià 1 1880

RD MEETINGS

FUTURE DATES

Table Table Table Table

1213.046 to many management of the control of the c

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1500 last the state of the stat

22 lasi years at

-- 3.316,41(

- 62,921,350 - 15,112,78

- 95.356.502

- 87 355,502

#10 640 E -

EMENTS

Long w

1.220

15.75

12.69/13%

1.-10/14

3,30/5,78

நூலம் ஜ

gs 0/51.0

35.0,40£

Case - Delivered

in Manchester Liners in 1974 and at one stage wanted to take over the company and merge its container operations with its own. ver a Monopolies Commission report ruled that the merger should not ge ahead. Meanwhile Errocanadian had also been buy-ing shares in Furness Withy. The Monngoles. Commission ruled. the proposed merger would not be in the public interest and told Eurocanadian to reduce ils stake in Kurness to no more than 10 per cent by the end of 1979. Commenting on the sale yester-

day Mr. Klaus Glusing of Euroeanadian said: "It has become clear in recent months that our original project of ensuring the long term viability of ML by merging of their North Atlantic volume with our own container operation is no longer valid to terms of our own best interests in the 1980's.

Another senior Eurocanadian executive Mr. Peter Twiss also said that he understood that Furness Withy themselves had shown interest in disposing of their own majority stake in Manchester Liners. He boped that the scene it would belp clear the South East with tot air and permit others to give sales of around £30m. the financial support and direction it needed.

Manchester Liners's profits fell sharply during 1978 and it cut its dividend. In the first half of 1979 the company was badly hit by the U.K. lorry drivers strike and made a pre-tax loss of £2.3m. Manchester Liners bas suffered in recent years because its two major shareholders (libere ts a tiny public shareholding) were bardly on speaking terms. The acquisition of the shares by Cana-dian National Railways should help the company resolve his difficult problems. CNR is the principal supplier of rail services in North America to Mi orth Amerca to ML.

Initialty, Eurucanadian boped to meet its undertaking to the U.K. Government to reduce its stake in Furness o 10 per cent. by transferring Its sbares to vestments and CNR. However, the Department of Trade has said that this does not fulfill the shell company, is to acquire entire issued share capital).

The sale, which represents book value, will raise OM 4.7m

(£1.2m). Payment will be in de-

ferred terms—on the plant and machinery 1DM 1.8m) over three years and on the stock and work in progress (DM 2.9m) over one

W" Ribbons has also agreed to lease the major part of the Hansaliv-Gurte factory to Granges Weda for DM 390,000 a

year and also has granted them

the option to purchase the free-bold of the land and building for DM 5.2m (£1.3m) within two

Granges Weda is a subsidiary of Granges A.B.—the major

Swedish group engaged in non-ferrous engineering and seat belt

Drake and Scull Holdings, the

engineering group, has now com-pleted the sale of the group's interest in Greyfriars Centre.

Ipswich, to " a major public com-

pany ' for £900,000 cash.

DRAKE & SCULL PROPERTY SALE

manufacture.

week Dolphin Investments has for £650,000 in new shares. This been reduciog its stake. Il now bolds just under 10 per cent. CNR owns 3.3 per cent and Helix Investments 3.9 per cent.

Dalgety Frozen Foods sold for £850,000

Daigety is to sell its frozen food subsidiary, Dalgety Froezn Foods, to Louis C. Edwards and Sons (Manebester), the meat group, for £850,000 cash.

Cordon Bleu Freezer-Fund Centres, a newly acquired Edwards offshoot, will pay £100,000 on completion of deal on February 4, two instal-ments of £200,000 each six and nine months later, and the rest after 12 months.

The sales and pre-tax profit of Oalgely Frozen Foods for the year to June 30, 1979 were £10.19m and £3.00 respectively. and net assets were £841,000.

DFF operates 33 stores principally in the South East of Eng-tand relating frozen foods and freezers. Following the acquisi-tion, Edwards frozen food relail activity will comprise 79 stores by removing Eurocanadian from in the North, Midlands and the the scene it would belp clear the South East with total annual

Since February 1979, Edwards has been under the management and direction of Gulliver Foods. Mr. David Webster, a director of Edwards, said yesterday that the merger of the two freezer chains would mean a "substantial presence in the specialist freezer market."

The group intended to build

on that presence hy new store or acquisitions where appropriate."

Meanwhile it would be linking at the Dalgety chain on a store hy store basis and expected it to show real profits in the reasonable period of time. Centralising buying and administration would be a major benefit. Mr. Webster sald.

REVERSE BID BY UNITED RUBBER

"W" Ribbons Holdings, the Last November, when details

manufacturer of synthetic web-of the group's proposed capital bings and cargo-bandling equip- reduction programme were an-

ment, has agreed to sell the seat nounced, the company said that

belt division of its 88 per cent talks were at an advanced stage owned West German subsidiary, for the sale of the group's in-

owned West German substitute.

Hansaliv-Gurte. GmbH and Co-terest-in a property-not used in Hansaliv-Gurte. GmbH and Co-terest-in a property-not used in KG, to Granges Weda A.B. of the normal course of trading.

The group acquired an loterest in November,

UNITED RUBBER Wesseats and/or Christopher United Rubber and Coffee Baldwin to 145,000 shares lantations (1932), a virtual cash (approximately 23 per cent of Plantations (1932), a virtual cash

in the property in November, 1977, and since then has received

a net cash flow of some £40,000

The group's interest in the property was professionally revalued at £200,000 in October, 1979. Since then a reversionary

interest in the properly has been

Court sanction bas heen re-

continuing to pay dividends.

ELECTRA REDUCES

in London Sumatra

Share deals

McLeod Russel and Co., the plantation holding company, has will give AID shareholders and reduced its holding in London Sumatra Plantations, which owns senior staff a 71 per cent stake in United Rubber, and a bid is rubber estates in todonesia and Malaysia, from 4.43 per cent to being made for the remainder. 2.23p per cent, realising a gross This will consist of an unconprofit of £1.2m. ditional cash offer of 6p a share for the 1.54m sbares in United

consolidation of the units.

ing of certain tax clearances by

UKO BUYS OPTICAL

UKO Internalinnal has bought

the optical business and con-

nected assets of Levers Optical (Manufacturing) and the Willes-

Levers and Willesden were

owned by the Levers Optical Company, which has been

struggling with losses for some

quotation has been cancelled.

Last Ocloher, however, report-ing reduced losses of £28,681

1163,360) for 1978, Levers' board said it still intended to seek a

Mr. C. Baldwin of Wesseals

has acquired a further 100,000

Moolnya Investments. This bold-ing was acquired from Mr. B.

Hersb, director, who no longer

owns or controls any sbares in

the company. It is understood that this acquisition, taken together with the holdings of Wesseals and/or Christopher

Baldwin immediaetly hefore the

acquisition of 45,000 ordinary sbares, brings total bolding of

lin mining where Mr. Edward cash.
Nassar, the Lebanese husiness-

man, took over the chafr early

ordinary sbares at 95p

BUSINESSES

den Oplical Works.

MOOLOYA

INVESTMENTS

At the same time Harrisons and Crosfield, the plantation and Rubber, equivalent to 12p for industrial group is increasing its each 10p share after a planned holding in London Sumatra by 1.7 per ceni to 45.9 per cent. Among the conditions for the The share prices of all three companies were active yesterdeal going through is the obtain-

day: McLeod jumped 21p to 340p, the seller. The board of United Ruhber, which now has no active London Sumatra rose 10p to 435p wblle H and C fell 13p to 787p. husiness but used to run plantations in Indonesia, Intend to vote their own holdings totalling McLeod announced that on nearty 27 per cent of the shares 350,000 London Sumatra in favour of the reverse take units at 430p each, which compares with a price of 100p when the shares were purchased in

the shares were purchased in January 1978 prior to the hid for London Sumatra hy its associate. McLcod Sipef Plantations. The share sale, which reduces McLcod's slake to 355,250 units (2.23 per cent), realised £1.5m gross compared with a cost price

of some £350,000. A spokesman for McLcod said yesterday that it was decided to realise part of the bolding in vicw of the increased value of years. Levers acquired Willes- the company's investment. He den in 1976 for £67,500 and said that the price reflected a remerged it with its own optical rating of Indonesian plantations business. That side has since There was no present intention There was no present intentinn been run down and Levers' share of selling the rest of the stake outsition has been cancelled, but if the price came back a lot the company might coosider huy-

ing some shares. Mr. T. Prentice, chairman o H and C, said that the increase in the London Sumatra stake was "routine purchase" in keeping with the rules of the Take-over Code. Under this the company was permitted to increase its stake by up to 2 per cent a year wilhout being abliged to make a full hid.

SHARE STAKES W. H. Smith and Son (Holdings) - Viscount Hembleden. director, acquired an interest in 665,500 "B" ordinary as a co-trustee, and his total interest is now 7,613,750 (10.94 per cent). H. P. Bulmer (Holdings)-C. Bulmer acquired an interest In 592,580 ordinary. His total eneficial bolding is oow 410.817 shares and his non-beneficiel holding 663,533. Total interest

'W' Ribbons disposes of German subsidiary

last week. . Electra has sold 130,000 fittings of Browns valued at £210,000 plus the stocks, estimated at £120,000. ordinary shares cutting its hold-ipg from 8.93 per cent to 2.29 per cent. A spokesman for Electra

said yesterday that the sale had been based solely on commercial judgment at what was considerate

DANA TRIPLE **PURCHASE**

to be an adequate price.

Dana is to acwuire three pripurchased by the group and it is vate UK companies under comestimated that an extraordinary profit of same £475,000 net will arise in the current year. inon management: tulertruck, Truckparts and Authlube and Plastics, plus the remaioling minority interests of Intertruck ceived for the capital reduction and dealings in the new shares Continental BV not already beld by Intertruck. The total con-sideration of £3.28m, mainly in in their new lp nominal form are expected lo start on Monday. shares, wit lbe paid in two instalments.

Drake says that, having accomplished two important objectives it is confident that the provisions The aggregate net tangible assets of the companies amounted to £2.35m. at April 30, 1979. Pre-tay profits were £0.39m. on sales of £8.21m. for of the new Companies Bill, if enacted in its present form, will not prevent the company from the year eoded April 30, 1979.

PENTOS ACQUIRES

JANTAR HOLDING HULL BOOKSELLER Pentos' wholly-owned sub-Electra Finance Company, the investment dealing offshoot of Globe Investment Trust, has sidiary. Hudsons Booksbops is to acquire the retail bookshop the West Midlands based com- A. Brown and Sons, known as improvement in profits.

Approximately 97% of the outstanding shares of Common Stock of

J. Weingarten, Incorporated

has been acquired by

Cavenham Texas Inc.

an indirect wholly-owned subsidiary of

Cavenham Ltd.

He initiated this transaction acted as financial advisor to

J. Weingarten. Incorporated and assisted in the negotiations.

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

ASSOCIATED ENGINEERING

Mr. J. N. Ferguson, chairman Associated Engineering. reminded holders of his annual statement, in which be bad sald that provided the level of industrial disruption was contained at a much lower level and some success was achieved in controlling inflation, prospects for 1980 were of a return to a more satisfactory level of profit-

However, neither of these provisions had yel been achieved This, together with the con tinuing bigh interest rates, mad-it virtually impossible to forecast full-year profits.

abitity.

- But if the steel strike was resolved quickly, and there were no other major disruptions, the prospects remained for some

APPOINTMENTS

Fisons re-structures U.S. operations

North Americae operations. Earli of its three existing activities in scientific equipment. agroebemicals and pharma-ceuticals—will operate through a separate, wholly-nwned subsidiary with a president in each case who is resident full-time in the U.S.

Mr. Stepben Aitward becomes president, Fisons Corporation onarmaceuticals), Mr. Rondal Cheves becomes president. Fisons Incorporated agrochemicats), and Dr. Helner Cromer remains president, Haake Inc. (for scientific equipment). The chairmen of the three American companies will be the main hoard directors in charge of the relevant UK divisions. Mr. Joe Valentine, therefore, becomes chairman of Fisons Corporation, Mr. Terry James, chair-men of Fisons Incorporated, and Mr. Jack Heath, chairman of

Haake Inc. Mr. Peler Fothergill is general manager of the Canadian pharmaccutical company, Fisons Corporation Lid., of which Mr. Valeotine will be the chairman. Dr. Peter Young will be a director of Fisnns Corporation and Fisons Incorporated and will act in a financial role for all four

Mr. Jeremy Hardie is to become a director of UNILEVER PENSION INVESTMENTS, the company responsible for the investment of Unitever's UK Pension Fund. He is a partner at chartered accountants, Oiyon Witson and Co. He is also deputy chairman of the Monopolies Commission and a deputy chairman of the National Provident Institution.

OLYMPIC HOLIDAYS has appointed Mr. Barry Barnes as operations and finance director designate. His responsibilities include operations, finance, computer administration and corporale systems. A non-executive appointment to the Board is Mr. Robert Upsdell. Mr. Eric Sutberland, deputy chief execulive, assumes the additional new title of sales director. Mr. Chris Mansell, heromes sales manager with specific responsibilities for strengthening lieison with travet

WEATHERMAKER EQUIPMENT has made the following appointments: Mr. Richard Bor ton bus become service director with responsibility for service and maintenance and Mr. Lloyd Monlaut is the new administrakeling and engineering are Mr. Tony Coffey and Mr. Martyn Love respectively.

Mr. Colin Lee will be joining BOOKER McCONNELL on February 1, as planning executive. He will be coocerned with planning and development within Booker McConnell and will also act as secretary to the company's pany with interests in Nigerian "Browns," for about £330,000 corporate planning group.

> Mr. Geoffrey Sutcliffe has heen Hudsons will acquire the appointed senlor interoational executive for the Africa and Middle East Region of NATIONAL WESTMINSTER freehold premises, fixtures and BANK'S intercational banking division, based in the City. He sucreeds Mr. E. F. Nightingale who is reliring.

> > Mr. Andrew Barber has been appointed deputy managing director of CAPPER NEILL PLASTICS, part of the Capper Mail Court Neill Group.

> > Mr. George Murray has been appointed head of group manage-ment services for PILKINGTON BROTHERS. He succeeds Mr. Peter Shepberdson who has been appointed general manager—new opportunities.

Mr. Warren Bradley has heen appointed personnel director of TI TOWER HOUSEWARES, the Wombourne - based manufacturer. Following five years with the Ti Group, Mr. Bergley toined Tower three years with an personnel manager.

Former Ford and British Levland director Mr. John Barber has been appointed a non-executive director of GOOD RELATIONS HOLDINGS and the GOOD RELATIONS GROUP. Before joining British Leyland, where he was deputy chairman and managing director, Mr. Barber was finance director of The Ford Motor Company. He is also a director of Acrow and

A C. Edwards | Engineering), and of The Wilshier Group. Mr. M. P. Bridger, Mr. R. W. Shilling and Mr. D. W. S. Wrtght. have been appointed to the Board TICALS as non-executive direc tors. They are managing direcfors respectively of the company retail. surgical and wholesale

Mr. Graham Fergusnn Lacey. whose appointment as executive chairman of the NATIONAL CARBONISING COMPANY Was announced yesterday, hecame non-executive chairman of the company in August last year.

divisions.

Mr. Rex Winshney, has joined the Bnard of FINTEL, as viewdata director, Fintel, a subsidiary Exchange Telegraph Company specialises in electronic distribution of business information. Mr Winchury has been editorial director since its formation in February 1978, with additional responsibility for marketing.

Mr. N. C. (Norman) Baker has been appointed deputy chairman and joint managine director of TAYLOR WOODROW CON-STRUCTION.

Mr. Peter Cadhury, executive chairman of Wastward Television has inined the hoard of ATTON MAPTIN A "life-long "nong-lor" of the marnue, he is iso a member of the Aston-Marin lad contor inm which last for its MC sports car business The consortium is elili awaiting BL's repty to the offer

group

director of John Laing, to serve on the MANPOWER SERVICES COMMISSION The appointment is made following consultations with the Confederation of British Industry and will run uolil December 31, 1982.

INTERNATIONAL CHEMICAL COMPANY states that Mr. M. J. Waale, Chemical Co-ordinator London, has been appointed a director from February 1.

Mr. Andrew Cook has been appointed deputy executive chairman and chief executive of WILLIAM COOK AND SONS (SHEFFIELD). Mr. A. McT. Cook. formerly chairman and managing director, remains chairman.

director — microelectronic devices. ROCKWELL INTER-NATIONAL CORPORATION. Miss Margaret Ann Francis

Mr. Ruhert E. Dwyer bas been

has been appointed secretary of BRITISH CINEMATOGRAPH THEATRES following the resignation of Mr. J. B. M. Scott. Mr. Myung Soo Kim, general manager of KUREA FIRST

BANK, London hranch, will be returning to Korea during February, to take up a new appointment to Seoul. Mr. Chut Soo Rhee has been appointed his

Following the acquisition by TILBURY PLANT of the whole of the issued share capital of Compressor Hirers, Compressor Hirers (Sales) and Compressor Hirers (Trading), the Boards of before being appointed area

prise: Mr. C. Brand, chairman; Australia in 1978. Mr. K. H. Taic, director; Mr. E. J. Cardnell, director; Mr. J. O. ives, director and general manager; Mr. E. G. Kellas, sales director and secretary. Mr. J. O. Ives, Mr. E. G. Kellas and Mr. was comptroller and company M. P. Staples have been appointed secretary.

directors of Tilhury Plant.

Mr. Cedric John Riley, manager of personnet and industrial relations at CUTLER-HAMMER EUROPA Bedford bas been appointed to the Board from February L

The Energy Secretary has reappointed Mr. James Cowan and Mr. Philip Weekes part-time members of the NATIONAL COAL BOARD. Mr. Cowan and Mr. Weekes part No. 2000 and Mr. Weekes part No. 2000 and Mr. Weekes part No. 2000 and National Nation Mr. Weekes are NCB area direcnamed worldwide marketing tors in Scotland and South Wates director — microelectronic respectively and both will continue in these posts.

> Mr. C. J. Humphrey has been appointed regional general manager of the Greater London (Snuth) regional office of LLOYDS BANK. Mr. G. G. Drew who relires on

Dr. Jnhu Adie, has been appointed managing director of Secretary of the BRITISH FRAZER-NASH I CONSULT CERAMIC PLANT AND ANCY). of Kingston-upon-Thames.

MACHINERY MANUFACTURERS ASSOCIATION since

AQUITAINE has appointed Mr. Jacques Payard to the newly-created position of group manag-ing director in the UK. He joined the group in 1959 and was financial manager of Aquilaine

Mr. Malcolm S. Mackenzie bas been appointed director ni ager; Mr. E. G. Kellas, sales finance for INTERNATIONAL director; and Mr. F. G. Chapman, HARVESTER COMPANY OF GREAT BRITAIN. Previously be

> Mr. R. A. Custis, who is at present deputy director_general of the Department of Energy's offsbore supplies office (OSO) has been appointed director geoeral from April 1. He will succeed Mr. Normao Smith who returns to Baring Brothers and Co. at the end of his term of secondmeol to OSO.

> CHARTPAK EUROPE, a company of the Times Mirror Group, has appointed Mr. Raymond Dawe to the board as sales and marketing director.

Mr. Muzzafer Aktas has heen appointed a director STEWART WRIGHTSON INSURANCE BROKERS) from February 1. He was until recently an adviser to Milli Reusurans TAS | National Re-insurance Company), of Istanbul.

* ils formation, Mr. Chris Hencb SOCIETE NATIONALE ELF has been appointed director.

Mr. Harold J. Corheit has been elected a vice-president of MONSANTO COMPANY of the U.S. He is managing director of Monsanto Plastics and Resins

The Proprietors of Hay's Wharf, Limited

The 72nd Annual General Meeting was held in London nn 31st January 1980 with Sir David H. Burnett, Br., M.B.E., T.D., the Chairman presiding. The Report and Accounts for the year ended 30th September 1979 were adopted and the final dividend was approved. The following are extracts from the Chairman's statement.

Summary of Results

The profit before tax for the year, after a first time charge for depreciation on freehold buildings of £332,000 amounted to £5,563,000-up 21% on 1978.

The final dividend of 4.63p per share, together with the interim of 1.72p already paid totals 6.35p for the year, compared with 5.525p for 1978.

All main activities contributed to improved earnings and in particular the storage, distribution and oils & chemical companies made a good recovery in the second half. Profits after taxation increased by 15.7% from £3,986,000 to £4,613,000.

Last August, a Rights Issue was fully taken-up by Ordinary shareholders and raised £4,799,000 net, which is being used to help finance the company's capital expenditure programme and to contain future borrowings.

| Comparative Figures - | 1979 | 1978* |
|--|---------------------------------------|--------------------------|
| Year ended 30th September | | |
| | £'000 | £'000 |
| Group turnover | 61,500 | 5 2 ,500 |
| Trading profit before taxation | 5,895 | 4,587 |
| Depreciation on freehold buildings | 332 | _ |
| Pre-operational and exceptional interest charges | 209 | 36 |
| Taxation | 741 | 565 |
| Profit after taxation | 4,613 | 3,986 |
| Extraordinary items | 679 | 461 |
| Dividends - Ordinary and Preference | 1,382 | 1,034 |
| Transferred to Reserve | 2,552 | 2,491 |
| Earnings per share Based on profit before extraordinary items | 24.72 p | 22.31p |
| *Certain 1978 ligules have been restated to rellect cha for deferred taxation and pramiums arising on th subsidiaries. | anges in accounti e acquisition of | ng policies shares in |

Further Outlook

In the absence of industrial unrest, such as was experienced last winter, the outlook for the Group for the current year would appear favourable, and our recent acquisitions will make a full year's contribution to profits for the first time.

Comes of the full Report and Accounts can be obtained from The Secretary of The Proprietors of Hay's Wharf, Limited, St. Olaf House, London Bridge, London SEI 2PJ.

> NOTICE OF REDEMPTION To the Holders of

ENTE NAZIONALE IDROCARBURI

(National Hydrocarbons Authority)

 $6\frac{1}{2}\%$ Sinking Fund Debentures due September 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on March 1, 1980, at the principal amount thereof \$1,037,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Fallowing Two Digits:

07 16 21 23 24 34 35 40 61 62 65 71 75 SD 88 Also Outstanding Debentures of \$1,000 Each of Prefix "M" Bearing the Following Social Numbers:

On March 1, 1980, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (at at the corporate trust office of Morgan Gharauty Trust Company of New York, 13th Floor, 30 West

Broadway, New York, N.Y. 1001S, or 1h) subject to any lews and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Layom in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Kredictbank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons uppurtenent thereto. Coupons due March 1, 1980, should be detached and collected in the usual manner. From and after March 1, 1980, interest shall cease to accrue on the Debentures herein designated

> ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

January 24, 1980

NOTICE

The following Debenures previously called for redemption here not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

M 23 2619 2696 2719 2783 2796 4019 4096 4118 4146 4198 4246 13846 13898 13919 14398 14418 The Employment Secretary as appointed Mr. Donald

T. 303.75 第一部第一部一等

NORTH AMERICAN NEWS

Good first quarter advance at **Peabody**

By Our Financial Staff

A STRONG performance by its oilfield sector led to a 15 per cent increase in earnings and a 10 per cent rise in sales in the first quarter ended December 31 for Peabody International, one of the leading U.S. companies in the pollution cootrol

Earninga reached \$6.45m or 61 cents a share compared with S5.61m or 53 cents on revenues which advanced to \$151.5m. The figures are restated to allow for the pooling of interest and a 5 per cent stock dividend to be paid on March 31.

Peabody said that more than half of its sales and an even greater percentage of profits related to energy exploration, production, transportation and clean up. The company said that the trend to higher oil field sales is rising. Increased aerospace spending could also boost its quality assurance line in the coming months.

Strong gains by C-I-L

By Robert Gibbens in Montreal

C-1-L. THE Canadian arm of ICl of the UK, earned C\$36.3m (\$US42.1m) in 1979 up 37 per cent from 1978, on salea of CSST9m, which rose 18 per cent. Per share earnings were C\$3.11 against C\$2.28. Major gains came in farm chemicals, induschemicals. explosives. plastics and mining equipment. Fourth quarter earnings were CS7m or 55 cents a sbare against 24 cents in 1978. Sales were up 20 per cent to C\$219m. Proceeds from the sale of the company's 50 per cent atake in Canadian Freehold Properties have been used to reduce short-term debt.

Bethlehem Steel

Mr. Donald H. Trautlein, 53, has been elected as chairman and chief executive officer of Bethlehem Steel Corporation with effect from June 1. Reuter reports from Bethlehem. Formerly an executive vice president of Betblehem, Mr. Trautlein will will retire on May 31 but will continue to serve as a director.

Mr. Foy has served as chairman since August 1, 1974.

To plan spending of \$150m in against only \$766,000, or 3 cents

Mr. Charles A. Barber, the chair
against only \$766,000, or 3 cents

Against only \$766,000, or 3 cents

a spare a year earlier. It was a year in 1978 and 1979.

AP-DJ

Toys and groceries boost | RCA pays profits at Quaker Oats

BY OUR FINANCIAL STAFF

BREAKFAST food manufacturer increased operating income in Quaker Oats, which also its international grocery pro-Quaker Oats, which also operates in the toy chemical and restaurant businesses, puahed earnings ahead by 15 per cent to \$20.7m in the second half of its current fiscal year. Share earnings rose from 90 cents to \$1.05 s share, and sales at \$608.3m recorded a gain of

At the half-time stage, Qusker Oats showa a 13 per cent fall in earnings at \$43.4m, or \$2,20 but the 1978 figure was boosted by a 74 cent gain from change in secouoting method. The company said that the improved results for the second quarter were due primarily to ducts group and to favonrable sales and operating income per-formance of the Fisher-Price toys division.

Mr. Robert D. Stuart Jr., the chairman said salea in interna-

tional grocery products during the first balf rose 52 per ceot over a year ago and operating income was up 29 per cent. Sales at Fisher-Price for the aecond quarter were up 6 par cent over a year ago and operating income rose 9 per cent. For the full year, earnings of \$4.01 a share have been estimated with a rise to \$4.50

Quaker's food products have proved largely recession-proof in the past, and the toy business, which turns in about one fifth of earnings, expects to show a significant increase in profits. Restaurant operations (5 per cent of profits) could show a slowdown, according to analysts. In the opening three months of the year, Fisher-Price recorded a 55 per cant gain in profits, and those of the U.S. grocery section put on 24 per

Over the past decade, Quaker has established a good growth record in both sales and earnforecast for the following year. expected.

Socal's foreign earnings soar

BY STEWART FLEMING IN NEW YORK

ANOTHER of America's largest oil companies, Standard Oil its foreign petroleum earnings Company of California (Socal) has announced a surge in profits for 1979—a \$700m increase to during the year contributed s \$1.79bn after tax, equal to further \$80m to profits, com-\$10.44 a share, against \$6.38 a pared with a \$87m loss in 1978. share previously.

its U.S. petroleum earnings rose from \$24.6bn to \$31.8bn.

by 38 per cent to \$646m. while were 78 per cent bigher at \$950m. Foreign Exchange gains

In the fourth quarter the group's net income was 66 per ceot bigher at \$524m, while sales increased by 44 per cent, from \$6.8bn to \$9.8bn.

Socal's earnings increase is in Sales revenues for the year line in percentage terms with The company reported that rose by more than 29 per cent, profit increases reported by the other major oil companies.

St. Joe Minerals stays ahead

BY OUR FINANCIAL STAFF

U.S. producer of lead, reports a 38 cents a ahare compared with net earnings advance for last \$23.17m or \$1.03 but the final year of 55 per cent to \$77.59m quarter includes the \$26.60m or \$3.46 per share compared loss. with \$2.22 in 1978 on revenues which rose to \$1.15bn compared expects earnings to be strong with \$831.3m. Last year's results again this year. It said: "We include a non-recurring write-off plan to increase our espital The mine will not be in regular of \$26,60m or \$1.18 per share expenditures over the \$211m production until 1981.

The company said that it

THE BROADLY-BASED natural because of the shutdown of the invested in 1979. Earnings from resources producer, St. Joe Monaca zinc smelter. Fourth oil gas and coal are expected Minerals, which is the biggest quarter earnings were \$8.58m or to rise in 1980 and lead should have another good year, but probably not as good as 1979. The company also said that

an expected rise in shipments of gold-bearing ore from the El Indlo mine in Chile could add significantly to the profit of Its international operations in 1980.

Asarco sees further recovery

NEW YORK-Asarco, the prolead, zinc, silver and other metals, expects to report earnlings for the fourth quarter of nine months of 1979 were 1979 significantly higher than

In the fourth quarter of 1978, a sbare. Earnings ln the first

bad raised its quarterly dividend ducer and refiner of copper. Asarco earned \$48.7m or \$1.66 to 35 cents, from 25 cents, and lead, zinc, silver and other a share. Earnings in the first declared an extra dividend of 15 cents

Asarco's recovery has enabled \$176.lm, or \$5.78 a share, it to plan spending of \$150m in





To our private investment customers our clients in commerce and industry and those in government, corporations and institutions; and most especially to our employees, past and present across Canada, in New York, in London in Paris and in Tokyo, our very sincere thanks for helping to make it possible for us to be celebrating our 75th year of service to the investment community.

\$1.56bn for control of CIT

SHAREHOLDERS OF C.I.T. Financial (CIT) yesterday approved the acquisition of the company for \$1.560n by RCA Holdings Corporation, subsidiary of RCA Corpora-tion RCA has already bought 49 per cent of CIT's equity for

CIT, the largest publicly-owned finance company in the U.S., also disclosed yesterday that earnings have turned down in the final quarter of the year—from \$32.2m nr \$1.55 a share to \$30.7m nr \$1.47. For the full year, however, earnings show a gain of 8.6 per cent to \$107.3m, or \$5.15 a share.

The company said that the figures exclude unrealised foreign exchange lesses of \$1.4m nr 7 cents on the quarter against losses of \$146,000 or 1 cent in the comparable quarter, and a similar gain of \$1.6m or 7 cents nn the year, against 8 loss of \$11.9m or 58 cents

RCA shareholders were due to vote on the proposed acquisition at a special meetwalter S. Holmes Jr., the CIT chairman, said the merger should be completed before the end of the day.

Steady close at Ogden

By Our Financial Staff OGDEN, the diversified industrial company, announced that earnings for the final quarter of 1979 edged ahead from \$13.3m, nr \$1.51 s share, to \$13.7m, or \$1.58 s share, on sales of \$565.7m, against

This brings the full-year total to \$57.5m, or \$6.58 a share, compared with \$54.3m or \$6.06 a share, last time. Sales of \$2.2bn compare with

U.S. QUARTERLIES

1978

AMERICAN CAN

| | F | 1979 | 1978 | |
|---|--------------------------------------|--------------------------|---------------------------|------|
| | Revenue | , 1.16br | 1.06br | ۱, |
| | Net per shere | . 1.2 | 1.44 | ١, |
| l | Net profits | 4,52br | 3.98br | |
| | Net per share | 6.44 | 5.32 | |
| 1 | AMERICAN STANDAR | 1979 | 1978 | 1 |
| I | Fourth quarter Revenue | 5 | 545.9m | ı |
| ł | Net per shere | 32.Bm | 23.0m | ١, |
| I | Yaar Revenue | | | 1 |
| J | Net profits | 132.2m | 101.3m | |
| l | COX 8ROADCASTING | Diaz | 7140 | ı |
| I | Fourth quarter | 1979 | 1978 S | |
| ł | Rayonua | 78.0m | 67.5m | İ |
| Į | Net per sharo | | 1.55 | |
| Ì | Revenue | 271.2m | 230,4m | Ì |
| l | Net profits Nat per share | 43,77m 6.50 | 33.95m \$.07 | ı |
| ì | GAF | 4070 | 4070 | |
| ۱ | Fourth quarter | 1979 S 324,9m | S | ł |
| ١ | Nat profits | 7.62m | 11.36m | Ш |
| Ì | Net per shere Year | 0.50 1.21bn | | 1 |
| l | Revenue | 28.12m | 34.16m | U |
| ĺ | Net per share GREAT NORTHERN NE | 1.83 KOOSA | 2.29 | ŀ |
| ۱ | | 1979 | 1978 | 1 |
| ĺ | Revenue | 309.9m | | 1 |
| ١ | Net profits | 24.3m 1.55 | 22,3m | F |
| l | Year Revenue | 1.1 a bn | | l |
| 1 | Net profits Net per share | 90.3m S.65 | 65.5m 4.23 | |
| ļ | HECLA MINING | | | 1 |
| l | Fourth quarter | 1979 | 1978 S | 12 |
| ١ | Net profits | 13.85m 1.92 | 3.27m 0.47 | 18 |
| ı | Yser Revanus | 84.1m | 31.7m | 1 |
| Ì | Net per chare | 4.89 | †96,82m †13,98 | li |
| l | HUYCK | - 7 7 | ·.**** | E 7. |
| l | Fourth quarter | 1979 a | . 1978 | ı |
| | Fourth quarter Revenue Nar profits | 40.9m 2.75m | 35.7m 2.43m | 1 |
| l | Nat per share | 0.48 | 0.43 | İ |
| | Revenue | a.vim | 7.53m | 18 |
| | Net per share | 1.58 | 1.32 | 1 |
| | Fourth quarter | 1979 \$ | 1978 | ļ١ |
| | Revenue | 852.9m | a 524.8m 6.29m | Ì |
| i | Net profits Net per ahara Year | 1.58 | 0.19 | 1 |
| | Rsvenue | 2.4bn | 1.9bn S.01m | [4 |
| ı | Net par ehare | 3.93 | 0.15 | 12 |
| | OKLAHOMA NATURAL | GAS 1979 | 1978 | 8 |
| ı | Four months | S | | 1 0 |
| | Revenue | 4.73m 0.44 | 5.56m 0.53 | |
| | Year Revenue Ver profits | 735.2m | 642.5m | ١ |
| 1 | Ner profits Net par ahare | 31.97m 3.01 | 39.19m 3.77 | E |
| | PITTSTON | 1979 | 1978 | H |
| | Fourth quarter | . \$ 456.7m 14.89m | | ľ |
| į | Nat profits | 14.89m 0.40 | 430.4m 33.21 m 0.89 | N |
| F | Yser Revenue | 1.65bn | 1.34bn | N |
| | let profits | 62.64m 1.67 | 25.21m 0.67 | 0 |
| | PUROLATOR | 1979 | 1978 | 9 |
| , | Fourth quarter | 1979 S 121.2m | a 103.2m | V |
| | levenua | 3,76m • 0.85 | 4.03m 0.88 | N |
| | Year | 473.1m | 397.2m | |
| ľ | | 17,31m 3.85 | 14.84m 3.28 | Y |
| | TEEL CO. OF CANADA | | | A |
| _ | Year | CS | 1978 .CS | E |
| N | let profits | 156,9m | 1.77bn 111.8m | F |
| - | let per shere | 5.74 | 4.07 | |

Uranium litigation costs Westinghouse \$405m

for extraorume, uranium litigation.

ever, amounted to \$405m, equal uranism supply lawsuits and the first increase in seven to \$4.72 a share, leaving the also takes in a special provision years.

Net earnings for 1979

The \$405m loss includes the amounted to \$331.1m, equal to \$5.85 a share. The losses, bow-

WESTINGHOUSE Electric, the group with a net loss of \$73.9m, of \$118.1m to cover remaining WESTINGHOUSE Electric, the second largest manufacturer of or 87 cents a share. In 1978, electrical equipment in the U.S. and the leader in nuclear power equipment, achieved higher profits last year before providing for extraordinary losses from uranium litigation.

or 87 cents a share. In 1978, whr. Robert E. Kirby, chairman of the group, sald Westingbourners, achieved higher profits last year before providing or \$2.59 a share before the extraordinary losses from and \$243.4m or \$2.81 a share in 1975 to cover remaining or 87 cents a share. In 1978, whr. Robert E. Kirby, chairman of the group, sald Westingbourners, achieved higher profits last year before providing share before the extraordinary losses from and \$243.4m or \$2.81 a share unique related litigation.

Meanwhile, the quarterly dividend is being raised from 24.3 cents to 35 centa a share—

DM200m issue for Australia

DM 200m public bond offer- the German Federal Post Office, ing for the Commonwealth of carries identical terms. Australia was launched yesterday through Dantsche Bank. The issue bas a bullet maturity of ten years and an indicated coupon of 81 per cent. With pricing expected at par, the investor would be getting a yield of 8.12 per cant. A further DM 200m in issue—by a private placement—is expected

for this borrower next month. Such a yield from a prime quality borrower underlines the rise in yielda which is cur-

rently the dominant feature of the German Eurobond market It is also a feature of German domestic bond sector. Tha ten-year DM 300m issue for the City of Hamburg, launched earller this week with a coupon of 8 per cent, is currently trading on a yield of 8.19 per cent. Furthermore, West Germany's Ministry of Finance has just raised DM 2.5hn worth of Schuldschein notes for 'our. eight and ten years which wrry coupons of 81 per cent. An elght-ten year DW 30m domes-

These figures suggest that if, as expected, a Latin American borrower comes to the foreign DM market later this month, it will have to agree to a coupon

Chicago Board of Trade proposals to open a futures market in London dellar certificates of deposit bave been placed before the Commodi-ties Futures Trading Commission in Washington. DUNCAN CAMPBELL-SMITH writes on Page 26.

of 81-9 per cent to attract investor support.

In secondary market trading yesterday, prices of foreign DM bonds eased about i of a point, Secondary market prices in the sterling sector posted falls of ‡ of a point across the board. The £50m ten-year public issue for Citicorp, with a coupon of 13} per cent and priced at par,

which is an average of 37 basis points above yields on older sterling bonds.

The NKr 100m ten year issue for the City of Oslo, which has a coupon of 101 per cent for ten years, was priced at par by the lead manager, Sparobanken Oslo, yesterday. The managers said the book was comfortably covered and allotments are being sent out today.

Prices of straight dollar bonds were unchanged despite the strength of the U.S. currency. Some dealers are con-vinced that if the market attempts to rally at this stage. a fair amount of selling would

The \$25m 15-year convertible for Sankyo Electric which has a conpon of 81 per cent, started trading yesterday and closed at

Prices of Swiss franc bonds moved up by 1 of a point. Economique is arranging a SwFr 100m ten year bond through Credit Suisse. The borrower is paying a coupon of eight-ten year DW 300m domes— was quoted in the market at 53 per cent and the issue tic issue launched yesterday for 96-97 to yield 14.18 per cent, expected to be priced at 991. 53 per cent and the issue is

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds a on the second Monday of each month. U.S. DOLLAR

| O'O' PATENT | | Camingo Ott |
|---|------------|---|
| STRAIGHTS | festued | Bld Offer day week Yield |
| Alcoe of Australia 10 88 | 60 | 864 864 +04 -24 12.63 |
| Alex Howden XW 95 91 | 30 | 76 77 0 -14 13.78 |
| Aquitaine Can, 114 85 | 30 | 931 937 -04 -14 13.07 |
| Australian Res. 94 84 | 30 | 89 89 +0 -1 12.87 |
| Avco 0/S Cap. 10% 87 | 40 | 781, 79 +04 -17, 15.24 |
| Beneficiet Fin. 9% 87 | 100 | 857 864 +04 -14 12.71 |
| CECA Grad, Rate 12 86 | 100 | 944 944 -04 -14 13.25 |
| CECA 94 99 | 725 | 1774 774 +04 -14 13,36 |
| Canadian Pacific 94 89 | 60 | 85 85 + 04 - 14 12,50 |
| Carter Hawley 94 86 | .50 | 85% 86% +0% -1% 13.07 |
| Complee Inv. E. 104 91 | 40 | 363 871 - Du - 11 12.43 |
| Continental Grp. 95 86 | 100 | 864 864 -04 -24 12,93 |
| Oome Petroleum 10 94 | 50 | 821, 83 -01, -21, 12.63 |
| Dominion Bridge 104 84 | 30 | 901, 901, -01, -21, 13.20 |
| EIS 11% 92 ; | 80 | 901, 91 +01, -27, 13.33 |
| EIB 10 99 | 150 | 80% 81% 0 -2% 13.07 88% 88% 0 -1% 13.04 |
| E18 10.15 89 | 100 100 | 881 881 0 -11 13.04 814 824 -04 -24 13.07 |
| Ekponfin 114 87 | 50 | 814 824 -04 -24 13.07 . 534 934 -04 -2 12.74 |
| Export Ov. Con. 94 84 | 100 | 901, 90% +01, -01, 12,38 |
| Export Dv. Cpn. 93 84 | 150 | 91 911 +01 -11 12.32 |
| Finland 93, 88 | 100 | 841 847 0 -2 12.85 |
| Finland 93 88 GTE Finance 94 89 | 55 | 85 85 ¹ 2 -1 ¹ -3 ¹ 12.47 |
| GMAC 94 86 | 100 | 857 864 +04 -14 12.51 |
| GMAC 0/S Fin. 11 84 | 100 | 95 954 +04 -14 12.33 |
| Gould Int. Fin. 94 86 | 50 | 864 884 -04 -24 12.96 |
| 77 Antilee 912 89 | 75 | 831, 84 +01, -11, 12.56 |
| Kennecutt Int. 912 86 | 100 | 834 844 -04 -14 13.39 |
| Meniteba 91, 89 | 76 | 824 824 -04 -23 12.86 |
| Michelin 10 94 | 125 | 844 844 +04 -24 12.32 |
| Nat. Des. Telacm. 91, 89 | 100 | 873 873 0 -13 12 45 |
| New Brunewick 84 84 | 75 | 807 81 0 -37 12.75 |
| Newfoundland 10 94 | 50 | 821 83 -05 -3 12.67 |
| Vergas Komm. 97, 98 | 100 | 211, 811, +01, -31, 12.81 |
| Norwey 912 84 | 150 | 90% 90% 0 -1 12.48 |
| Nova Scetia Pwr. 94 89 | 50 | 831 831 +01 -21 12.84 |
| Occidental Fin. 104 84 | 50 25 | 917, 92% +04 -17, 12.68 |
| Orient Lessing 97, 88 Pennwalt O/S F. 97, 84 | 25 | 861 87 -04 -14 12.60 894 904 +04 -14 12.86 |
| epsice Cap. 94 84 | 100 | 894 904 +04 -14 12.86 |
| Quabec Hydro 10 98 | 75 | 90 ¹ 2 91 0 -1 ¹ 2 12.25 79 ¹ 2 79 ¹ 8 +0 ¹ 8 -3 ¹ 2 12.89 |
| Sesre Rosbuck 8 82 | 150 | 93% 93% +0 -0 12.89 |
| Statoil 94 88 | 100 | 84 842 -02 -22 12.53 |
| wedan 63, 89 | 100 | 84 842 -04 -24 12.72 |
| Swaden 912 98 | 200 | 874 884 +04 -24 12.66 |
| weden 94 84 | 100 | 90% 914 +04 -14 12.38 |
| Initever NV 94 87 | 100 | 85 2 86 0 -12 12.25 |
| Wamsr-Lambert 8 84 | 700 | 89 897 -07 -17 12.26 |
| Average price chang | es 0 | day 0 en week -12 |
| • | | |

| Wamer-Lambert 8 84 Average price chang | 700 | B9 | 897 | -03 | -13 | 12.26 | |
|--|---|--|--|---|--|--|--|
| OEUTSCHE MARK STRAIGHTS | İzgued | Bld | Offer | Chan day | ga on wesk | Yield | |
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| Finland, Rep. of 8 88 Keber, City of 7½ 83 Mitsebish! Chem, 6½ 84 Nader. Gazunio 8 83 Naw. Zealand 7½ 87 Nippon Kokan 6½ 84 Nippon Tel. & T. 5½ 87 | 150 - 150 - 70 100 200 100 | 95 944 102 944 934 | 9972 9574 8574 10272 9872 9474 | 0 -1 -0 -0 -0 0 | -04 -13 -2 -04 -03 -03 | 2.12 7.82 7.82 7.56 7.99 8.25 | |
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SERVICE

Petrolina profits mask slowdown

By Our Financial Staff

PETROFINA, the Belgian oil group, reports sharply higher profits for 1979, and is increasing its dividend by more than

At the net level earnings have risen by 37 per cent to BFrs 8.3bn (\$294m) from BFts 6.04bn, and the payment to shareholders is going up to BErs 230 a share from BFrs 190.

The result masks a considerable slawdown in the rate of growth during the second half of the year, however. Net income rose by 76 per cent over the opening six months, but could manage a gain of only 14 per cent from June nowards.

When reporting interim results in July, Petrofina said profits growth would have been bigher if the company had not switched to LIFO (last in first out) accounting. The change had lopped something like BFrs 2.8bn off the uverall earnings total.

The company also announced yesterday that its capital spending in 1980 would be broadly maintained at the level of 1979. when it was BFrs 18.5bn.

In 1978 group net profits were 8 per cent higher following a gain of little more than 5 per cent in sales and other revenues. The year's production of crude rose to 7.95m tonnes

Eaton French unit fails

By Our Financial Staff

a francis EATON MANIL has been declared bankrupt by a French commercial court. Eaton Manil a subsidiary of the Eaton Cor-5.24 Ospa poration of the U.S., operates a foundry at Vivier-au-Court, in Northern France, and employs 560 workers. It produces molded parts used in the auto industry and in the manufacture of bousebold appliances.

The company's chairman and director general resigned earlier this month and a receiver was appointed. Eaton Manil's accumulated losses are estiat FFr 40m (\$10m). Eaton Corp. has established reserves arising from the liquidation of the French unit.

ENASA-INTERNATIONAL HARVESTER

A European springboard for the 'eighties

BY ROBERT GRAHAM IN MADRID

THE MOVE by International THE MOVE by International (ENASA still, however, pays an retain majority control of the harvester to buy 35 per cent of spoin's major industrial vehicle BL.) IN1 owning 67 per cent of 12 per cent; stake is numinal. IN1 will begin new company owned 65.35 with manufacturer, ENASA, underlines the importance of Spain the company but ran up against in the European automotive industry of the 1980s. It also marks the virtual end

of Spanish control of its own automotive industry. In the past year agreement has been reached for Fiat to acquire control of the main car producer, SEAT, while only 10 days' ago Nissan bought into Mothr Iberica, the agricultural machinery and light truck manufacturer.

All this is part of the buildup to Spain's entry into the Common Market Multinational companies are gearing up to use Spain as the production base, and the Spanish Govern-ment, through its State halding company, INI, is divesting to ensure access to technology and markets, to guarantee johs.

In 1972, British Leyland, as company.

the equity, sought to develop substantial technological base problems in finding export markets, adequate technology and, latterly, through high prnducting costs and a slump in the domestic market.

By 1978 it had become one of the most troubled companies in the INI fold. To secure its future, contacts began in the autumn of 1978 to find a multi-

national partner. International Harvester did until last August. INI bad discarded the idea of forming a large bolding company and grouping at with the two remaining Spanish manufacturers, Momr Iberica and Mevosa. But right up until two weks' ago, INI was still keen on creating a company with NISSAN that included ENASA and Motor Iberica.

INI nfficials say that this latter scheme foundered at the hased on a series of mutual diately, as well as link up its been ab-last minute because: trade-offs, and while Interna-distribution network. More an imag (1) Motor Iberica wanted to tional Harvester is committed to importantly, International Harvester. it was then, sold its 25 per cent latter scheme foundered at the stake in ENASA, making it a last minute because:

(2) Because Nissan had no in the heavy vehicle sector. As a result, Motor Iberica

The deal between the two companies is based on a series of mutual trade-offs. At the same time it commits the American company to a fairly substantial programme of capital spend-

went ahead on its own with Nissan, approving its purchase of Massey Ferguson's existing 36 per cent stake in the company. This, in turn, led to a discussion

with International Harvester to tie up a deal over ENASA. The deal is a complicated one

stake is numinal. 1N1 will begin by buying out the other ENASA shareholders, five banks which control 9 per cent of the company. Owning 100 per cent of the company, INI will then sell 3ā per cent to International Harvester for an as yet undetermined but almost certainly

nnminal sum. INI bas further undertaken to cover all ENASA losses through to 1982. Losses in 1979 topped \$10m, and this year could be as bad-due to slack demand, stocks are cur-rently worth \$105m, equal to 20 per cent of annual production.

some 3,000 of its 11,570 workto reduce operating The Government is expected to assist with new soft credit and export aids.

In returo, International Harvester will provide management, technical services and technology to the company imme-

new company owned 65.35 with iNI. The plant will have a capacity of 100,000 units, 70,000 of them D-466s and 30,000 B-4s.

Roughly S0 per cent of this production will be geared for export. This major investment will offset some of the consequences of ENASA's initial labour shedding, since eventual employment here in 1984 could be over 2,500. The question of absorbing ENASA's excess labour has been a major difficulculty in finalising the deal. The sensitive political question of INI hopes, through shedding ENASA's military vehicle side (armoured cars) was solved sidiary, Santa Barbara.

It is assumed that the Government will provide favourable loans to International Harvester this has not yet been worked out. At the same time, INI has heen able to preserve at least an image of a degree of Spanish

BMW confident for the decade after expansion last year

BY ROGER BOYES IN MUNICH

GERMAN WEST (BMW) reports strong sales fident that it will maintain its all damage the projections.

market position during the 1980s But BMW's confidence rests on market position during the 1980s despite the difficulties facing the country's motor industry.

Herr Eberbard von Kuenheim. clear that the company is continuing to experience strong demand. The parent company's domestic sale rose by 9.3 per ceot to DM 3.4hn (\$1.95bn1, and export sales rose by 11 per cent to DM 3.15bn. Profits too are expected to show a healthy increase when the company releases figures later this year.

the company has consistently trics. performed hetter than the rest of the industry over the past five strategy in the 1980s is a heavy years. As a result, although investment programme with a domestic demand for German view towards expanding 10 per cent this year, BMW is 1980s. convinced that its own sales will remain substantially unaffected.

high-could upset the picture performance car manufacturers another event similar to the Bayerische Motoren Werke icvasion of Afghanistan, large increases in the price of oil or growth for 1979 and seems con- a sbarp fall in the dollar could

three main pillars. In the first place it has been active in persuading customers that large models—the so-called "7" and "6" models—are not hopelessly uneconomic. The company bas ensured that all of the larger models now have direct-injection engines which, with other modifications, save about 7 per cent

of energy costs. At the same time, BMW has been huilding up its network of foreign subsidiaries and has taken over its own importing BMW executives maintain that and distribution in 10 coun-

The third prong of the BMW cars is expected to drop by about capacity at least until the minrenewing its range calthough no new model is planned for this year), and Herr von Kuenheim is the first modernising production. Some to admit that uncertainty in the DM 4bn is to be invested over international political situation the next three to four years,

KLM trades in deficit during third quarter

BY MICHAEL VAN OS IN AMSTERDAM

NET LOSSES of KLM Royal before. pares with the loss of FI 9.8m a charter traffic by 6 per cent year earlier.

The result leaves the net profit for the first nine months of the year at FI 80.1m, com-pared to FI 143.2m.

KLM's third quarter operatrevenue amounted ing revenue amounted to F1809.4m, which was up 17.7 per cent, bringing the nine months' figure up to F12.47bn (up 11.9 per cent). Operating expenses, including deprecia-tion, were up to F1817.9m (np 16.8 per cent) and to F12.39bn (up 15.9 per cent), respectively.

The company's statement shows that the third quarter net loss per share was up to Fl 3.93 from Fl 3.46, bringing the nine month profit down to F1 17.27 from F1 33.67.

The airline said that ton-mile capacity and ton-mile traffic bad risen by 10 per cent compared

The load factor was Dutch Airlines have risen to surcharged at 59.9 per cent. Filling (\$6.2m) in the third quarter of the financial year ending Earch 31. This comeand traffic by 9 per cent, and

Because of the time lag, the impact of airline fares and rates increases, these only partly compensated for the continuing rise in fuel prices.

Profits on the sale of flight equipment and the like during the third quarter brought in F1 4.7m, whereas there was no such credit item in 1978. The balance of revenue and other expenses, however, showed a loss of F1 0.4m, compared to a profit of Fl 1.8m.

Pledge on fund-raising for Negev Desert plan

Snme 400 American, Canadian and European Jewish leaders have undertaken to raise \$1bn to ' develop Israel's Negev Desert, reports Reuter from with the same quarter the year Paris.

Alitalia slips back into losses

BY PAUL BETTS IN ROME

ALITALIA, the Italian national airline, will report a loss for 1979 compared to profits of Lire 14bn (\$17.3m) and Lire 11hn during the two previous years, Sig Luciano Sartoretti, the company's managing direc-tor, said in Rome yesterday.

But Sig. Sartoretti said the loss, largely the result of acute labour problems and temporary suspension of DC-10 operations, was not expected to interrupt Alitalia's ambitious 1980-83 financial and economic programme,

1979. Company traffic revenues only increased from Lire 851bn in 1978 to Lire 889bo last year, despite worldwide traffic growth and sharply increased tariffs.

Alttalia's loss was not expected to be as high as the losses during 1974-1976, when Lire 42bn a year. Since 1977, the airline has undertaken a gramme is largely aimed at major financial recovery programme, which brought the gramme, which brought the company back into profitability in 1977 and 1978.

The capital expenditure profitability aimed at major financial recovery programme, which is transfer expanding Alltalia's fleet with ready received a first transhe of some \$350. Alitalia's fluance craft, eight A300 airbuses, five cial liabilities at the end of last in 1977 and 1978. the company lost on average in 1977 and 1978.

tained in large measure because Alitalia had not distributed a dividend last year for the total L14bn profit of 1978, but had set aside some L10bn as reserves, said Sig. Sartoretti.

The company's sinancial and economic programme envisages increased traffic revenues of L1,316bn, L1,563bn, L1,889bn and L2,233bn in 1980-83 repectively.

Net fixed assets after depreciation, which totalled L413hn last year, are expected to grow to L725bn this year and subse-Alitalia was able to operate quently to L1.018bn, L1,062bn for only 10 out of 12 months in and L1.080bn in the following three years.

The sharp rise in net fixed assets is largely due to Alitatia's substantial capital expenditure was now involved in advanced projects for the next four negotiations with the U.S. Eximyears. These are expected to bank for a 10-year \$460m loan, 1980-83 1408hn this year.

Boeing B747-combis, and three year totalled L129bn.

The 1979 loss would be con- Boeing 747s. Alitalia has additional options for three B727s, three airpuses and one B747.

With loan repayments of some L224bn, Alitalia's total financia; requirements for 1980-83 are L1,404bn.

Sig. Sartoretti said the capiexpenditure programme would be financed by additional loans of some L588bn, and in-creases in Alitalia's share capital from the present LT8bn to L160bn this year. L200bn next year and L240bn in 1982. These capital increases are expected to be virtually wholly subscribed by Alitalia's parent company, the giant Italian state bolding IRI.

Sig, Sartoretti sald Alitalia L1,180bn for the overall which would prohably carry an 83 period, including interest rate below 9 per cent. Alitalia was recently granted a

West German companies announce rights issues

BY GUY HAWTIN IN FRANKFURT

TWO MAJOR West German in- DM1.50. Therefore holders will dustrial companies announced rights issues yesterday. Linde, the Wieshaden-based plant, engineering and construction group, is seeking DM136m 1\$78.4m), while Degussa, the Frankfurt-based chemicals and seeking DM136m metals concern, plans to raise DM72m (\$41m).

At the same time as yesterday's announcement, Linke reported that the management is recommending an increased dividend to the May 20 annual meeting. The proposed payout is up from last year's 16 per cent to 18 per cent.

Although the management is proposing a dividend of DM9 per DM50 nominal sbare compared with 1978's DMS a share, the 1978 dividend was paid in credit of DM 4.78 per share in

be receiving 50 pfennig a sbare less than last year. A consortium of banks, led by the Deutsche Bank, is underincrease Linde's nominal capital

by DM 40m to DM 180m. The new shares carry rights to hte 1980 dividend, and are being offered to holders at the ratio of two-or-seveo. There was no announcement of when the placement would be made. The annonocement

Degussa's rights issue, one-for-six at DM 100 per DM 50 share, was accompanied by news of an unchanged dividend of DM \$.50 for the year to September 30, 1979. Shareholders paying West German tax will receive a tax áddition to a jubilee bonus 2f addition to the cash dividend.

This announcement appears as a matter of record only.



EUROPEAN INVESTMENT BANK

600,000,000 Luxembourg Francs 9 3/4% Bonds due 1988

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Crédit Industriel d'Alsace et de Lorraine

Banque Commerciale S.A.

Banque de Suez-Luxembourg S.A.

Crédit Lyonnais

All these Boods have been sold. This announcement appears as a matter of record only



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INTEREST RATE FUTURES

Chicago heads for London

BY DUNCAN CAMPBELL-SMITH

THE Chicago Board of Trade (CBOT) has presented a sub-mission on its proposal to open a futures market in London dollar certificates of deposit (CD) to the Commodities Futures Trading Commission in Washington for its approval.

It will come as a surprise to maoy participants in the London market that the CBOT has progressed so far. After months of analysis and field work, the CBOT is clearly con-fident about the prospects for a futures market in London CDs. The CBOT will be actively pnrsuing its plans to establish tha market while awaiting official go-ahead.

Hedging positions

U.S. mancial futures provide for the recipt or delivery at a fixed future date of paper bearing a yield which is decided at the time of the contractual agreement. They are used by speculators hoping to acticipate interest rate movements to their advantage and by commercial institutions wishing to hedge long or short positions in financial securities.

Available futures today cover U.S. Treasury bonds, notes and bills, Ginnie Mae honds and U.S. commercial paper. Purchases and sales of futures contracts are arranged on several U.S. exchanges and the daily turnover volume has grown so rapidly that in some cases it now surpasses the volume of the underlying cash market.

London dollar CDs are issued in London by most leading banks in the Euromarket, but particularly by the Loodoo branches of U.S. banks, both regional and money centre. Similarly, the market for the is international hut heavily dominated by U.S. corporate and institutional purchasers. The CDs provide the same liquidity advantages as New York CDs. - but offer a higher yield. This is attributed broadly to the funds raised in London being free of reserve requirements. The yields also reflect braoch banks, the mainstay of the London market, having lower credit ratings than their parents.

The growing U.S. familiarity with the Loodon dollar CD market and the general desire

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13930 14015 14117

14133 14161

On the 1st March 1980 there will become payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:- Singer & Friedlander Limited, 20, Cannon Street, London ECAM 6XE or with one of the other

Interest will cease to accrue on the Bonds called for redemption on or after 1st March 1980. Bonds so presented for payment must bave attached all coupons maturing aubsequent to 1st March 1980.

NOTICE

The following bonds previously called for redemption have not been presented for

today to short term paper have together caused a doubling of the market's outstanding issues in the last 15 months, to nearly \$44bn.

London market makers have been aware of the CBOT's aspirations since a team from Chicago visited the City last summer. Many tradars would welcome a futures market since this would enable them to seil CDs short. But the likelihood of such a market appearing has to date been treated with scepticism.

One reason for this has been widespread doubt about the technical feasibility of the Idea. Banks at present hava no ohli-gation to issue CDs at a future date. Dealers tharefore question the feasibility of the short sale: who would guarantee delivery of the paper whare a contract was allowed to mature? Yet the concept of the short sale is central to the function of a futures market.

The CBOT says that it is now In the process of setting up a delivery mechanism which will facilitate short sales. It has confirmed that discussions are proceeding with a number of major banks on this point.

A second query in the London market concerns the usefulness of CD futures. One discount house which is a pro-minent market maker thought that futures winld serve no practical purpose and would only provida scope for professionals' punting.

But this view may have to he revised. The CBOT has done its legwork among the US treasurers whose cash feeds the London market-and it believes there exists a need of the hedging capability that a futures market would provide.

Demonstration economic need for the market is a major part of the CBOT's official submission in Washington. The volatility of interest rates in today's financial eovironment is presented as the key justification of financial rates futures. And the CBOT has none of the doubts that are expressed in the London market about the willingness of US treasurers to use so sophisticated a tool.

Nacional Financiera, S.A.

Singer & Friedlander Ltd., announce that the redemption instalment of U.S. \$900,000 due 1st March 1980 has been met by purchases in the market to the nominal value of U.S. \$82,000 and by a drawing of Bonds to the nominal value of U.S. \$818,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public are as

13141 13142 13143 13144 13145 13146 13147 13148 13149 13150 13151 13154 13155 13156 13157 13156 13159 13160 13181 13162 13163 13164 13169 13170 13171 13172 13173 13174 13175 13176 13177 13178 13179 13182 13183 13184 13185 13186 13187 13188 13189 13190 13191 13192

13287 13335 13388

let February 1980

final hurdle might

to restrict dollar investments remain. Some London dealers doubt the willingness of the Bank of England to lend its backing to CD futures. But with exchange control regulations dishanded, banks in London no longer require the Bank's anthorisation to issue CDs and prohably a CBOT market could be started regardless of the Bank's attitude. Nevertheless the policy of London business. the policy of London hnuses towards it would be influenced by the Bank'a attitude.

No official opinion has yet been sought from the Bank. Officials have sbown no great enthusiasm for the report presented last year by the Inter-national Commodities Clesring House. This dealt with the whole subject of futures markets for financial instruments. But so far it has received only pre-liminary and very informal discussion.

The Bank's first concern is known to be the impact of futures markets generally on markets on which they are built. An unfavourable view of this impact might prompt opposition from the Bank in the present case in order partly to deter similar developments elsewbere-not least, in the gilts

Implied levelling

An active futures market would be bound to affect trading in London dollar CDs. For example, market makers at present will trade on the finest rate for four banks only. A futures market, it is thought, would require a tier of perbaps 10 hanks carrying the same prices. The implied levelling effect would create problems for most traders.

The CBOT says that there have been communications with the Bank of England—and that far it has not learned nf anything to discourage it,

The CBOT is not yet ready to release further details. This cautious approach is prompted, said one official, by fear of disclosing information to the opposition. It is believed that the Mercantile Exchange in Chicago as well as the other commodities exchanges in New York would also like to pursue the possibilities of the London dollar CD market.

Financial rand loan ceiling exceeded

By Bernard Simon in Johannesburg THE SOUTH AFRICAN Reserve Bank bas asked a local bank to bring its financial rand ovedraft facilities to foreign arbitrageurs within its autho-rised limits, after it exceeded the ceilings laid down by tha

central bank.

As a result of the Reserve
Bank's action, French Bank,
which is controlled by Banque da l'Indochine et de Suez, was unable to meet payments ear-lier this week to at least two Johannesburg stockbrokers who had accepted scrip from local sellers for delivery to foreign buyers. Frencb

Bank is one n everal dealers in financial rand authorised to provide bridging finance to brokers to tide them over the time between the clear ance of a sale on the Johannesburg Stock Exchange and the arrival of funds or matching scrin from the overseas buyer. The brokers concerned have

had to borrow rand from local hanks until financial rand are available. Reports indicate that the amounts involved run into several million rand, and the demand for financial rand to meet this obligation could keep the market tight for another

A senior French Bank executive described the affair yesterday as "a storm in a tescup." He said that the bank had exceeded its limits because beavy trading in gold shares had led to "high demand" for bridging facilities

from overseas arbitragenrs.

Bankers agree that the despite much higher production and log sales Reserve Bank'a limits, helieved NBT said log sales for the six months ended November 1979 were 6.26m cu ft against to total around R100m, have heen inadequate to finance the surge in stock market turnover. 7.4m cu ft. but due to favourable The limits of some banks have prices, returns amounted to 9.14 been raised in the past few days, however. The Reserve Bank ringgit per cu ft compared with 3.85 ringgit previously. Profits would bave been much higher said yesterday that no applicabut for the sharply increased royaltles paid to Sabah State. tion for higher limits has been refused. Before approval is given, bowever, the banks have In his review Mr. Akbar assessed to stay within their existing

Acmil lifts interim dividend

ceilings.

By Our Sydney Correspondent

ACMIL, the diversified building products group, has raised its interim dividend from 2.5 cents to 3 cents a share following a 67 per cent jump in earnings for the December six months, from A\$6.14m to A\$10.25m (US\$11.35m). The result comes only a few weeks after Acmil and its stahlemate Bramhles Industries called off a proposed A\$142m merger.

increase over the previous year, from BD 1.57m (U.S.\$4.16m) to BD 2.34m (U.S.\$6.21m). But this does not include profits on the handling of public share issues, particularly that for Gulf issue.

The bank's authorised capital to BD 10m to accommodate the distribution, which will raise the pald-up capital to BD 7.5m. For the past three years Acmil has paid a total dividend interim could indicate a higher full-year payout Earnings a share for the period rose from

5.3 cents to 7.9 cents.

The directors of Acmil said that all major operating divisions, including receot acquisitions, improved their per-formance in the latest half. Sales for the half year rose from A\$131m to A\$177m.

Issue of China bonds in Hong Kong delayed By Anthony Rowley in Hong Kong

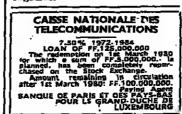
A BANK OF CHINA spokes-man in Hong Kong has denied reports by the official New China News Agency (NCNA) that the bank bas started sell-ing in Hong Kong the Repumini bonds being issued by Fujian
Province's investment and
enterprise corporation.

The NCNA reported on

January 29 that the bonds bad gone on sale this month through the Bank of China both in Fujian Province and in Hong

A spokasman for the Bank of China branch in Hong Kong said yesterday, however, that sales (in Hong Kong) had been delayed and no data will be fixed before full details of the bond sales programme have been received from Fujian Province.
No reason was given for the

delay but Mr. Zhang Yi, the deputy governor of Fujian, and president of the investment and enterprisa company, said earlier this month that negotiations between the provincial authorities and the Bank of China headquarters in Peking had to be completed before the hank would handle sales in Hong Kong. Assuming that the honds do eventually appear in Hong Kong, they will mark the first issue of Chinese debt instruments of this sort which is to be available to foreigners since the frunding of the People's Republic of China in 1949. There is speculatinn that China may have delayed issuing the bonds in Hong Kong because nf possible legal problems over the status of outstanding Chinese bonds issued by former Chinese



ANZ flotation of New Zealand offshoot hits snag

BY JAMES FORTH IN SYDNEY

PROPOSED public flotation by the ANZ Banking Group of Its New Zealand offshoot, ran into a hitch yesterday, and led to the suspension of share-market trading in one of NZ'a major finance company's UDC Group Holdings.

Premature release of confidential details in the prospectus for the float revealed that the NZ offshoot of the ANZ planned to make a takeover offer for UDC, in which the bank already bas a 64 per cent controlling interest. The NZ Stock Exchange Association suspended trading in UDC pending clarification, after Press reports that the ANZ had made a takeover bid for the company and a statement by the financier that no formal bid bas been

ANZ planned to bid for the

BORNEO

interim pre-tax profits of 8m ringgit (\$3.66m). In the same

period of last year the group

made a loss of 1.8m ringgit,

BY MARY FRINGS IN BAHRAIN .

Kuwait (BBK) has announced

record profits for 1979, and has declared for the first time a

one-for two scrip issue. A 10 per cent dividend is recommen-

ded, equivalent to 22 per cent

of the hank's ordinary net in-

Unaudited figures for 1979

show a 49 per cent earnings

THE BANK of Bahrain and investment

NORTH

—the same price at which the NZ public will be offered ahares in the bank. It will be the first Australian bank to float to the NZ public. The Bank of New South Wales, the National Bank of Australasia and the Commercial Bank of Australia all operate in NZ.

The ANZ's operation in NZ earned NZ\$10.4m (US\$10.2m) last year. The public will be offered a 15 per cent stake, and the issue will raise NZ\$11.68m, lifting the paid capital to

show satisfactory growth and should be significantly higher than in 1979,

Timbers Hydari, the chairman, pointed

market fell so badly in October

that the group temporarily sus-

pended operations. However,

prices quickly recovered, and

Operations are back to normal. Cocoa sales provided a useful

though not significant contribu-

On to group eatmuse.

The group is not giving a

dividend, at this stage. Mr. Hydari said prospects appear

encouraging, but in view of the

highly cyclical nature of the

business and the severity of the

monsoon, the group's full-year result could not be accurately

Company

October, which was 1,263 times

Loan interest and handling

charges on the share issues

brought BBK an extra BD 3.42m, which is being trans-

ferred to general reserves and substantially passed on to share-holders in the form of the scrip

over-subscribed.

tion to group earnings.

remainder of UDC at NZ\$1.75

Choulartons
C. E. Coates
Consolidated Credits...

After the issue, the ANZ Banking Group will retain a holding of 75 per cent of the capital, ex-UDC shareholders would own snother 8.7 per cent, NZ staff 1.2 per cent, and the public 15 per cent. The prospectus predicts that profits will

BY WONG SULONG IN KUALA LUMPUR

Recovery at NBT

Berhad (NBT), the Malaysian out that log prices were buoyant timber group, has recorded during the first quarter, but the

Earnings jump at Bank

NOTICE

To the holders of the Floating Rate London Dollar

DOW BANKING CORPORATION

108, Fenchurch Street, London, EC3.

We hereby certify that the rate of interest payable on the above-mentioned Certificates of Deposit for the Interest Period beginning on the 4th day of February, 1980, is 141 per cent per annum and the Interest Payment Date relating thereto is the

EUROPEAN BANKING COMPANY LIMITED .

Certificates of Deposit due August, 1982, of:

of Bahrain and Kuwait

Eagil Trust 17
E. T. Trust Limited ... 17
First Nat. Fin. Corp... 18
First Nat. Secs. Ltd. ... 18 7-day deposits 15%. deposits 15%. 7-day disposits on sums of £10.000 and under 15%, up to £25.000 15%, and over £25.000 15%. Robert Fraser 1B Antony Gibbs 17 Call deposits over £1.000 15% Greyhound Guaranty... 17 % Grindlays Bank‡17 % Demand deposits 15%

A.B.N. Bank Allied Irish Bank

Henry Ansbacher 17 A P Bank Ltd. 17

Arbuthnot Latham ... 17

Associates Cap. Corp.... 17 % Banco de Bilbao 17 % Bank of Credit & Cance. 17 %

Bardays Bank 171%
Bardays Bank 17 %
Bremar Holdings Ltd. 18 %
Brit. Bank of Mid. East 17 %

Genossenschaftliche Zentralbank Aktiengesellschaft

Vienna



U.S. \$40,000,000 Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 1st February, 1980 to 1st May, 1980, the Notes will carry an Interest Rate of 145% per annum. The relevant Interest Puyment Date will be 1st May, 1980 and the Coupon Amount per U.S. \$1,000 will be U.S. \$36.56.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$300,000,000 of which U.S. \$100,000,000 has been issued as the Initial Tranche

Citicorp Overseas Finance **Corporation Limited**

(Incorporated with limited liability in the British Virgin Islands)

Guaranteed Floating Rate Notes Due 1984



in accordance with the terms and conditions of the above mentioned Notes and the Agent Bank Agreement dated as of November 28, 1979, between Ciricorp Overseas Finance Corporation November 28, 1979, between Citicorp Overseas Finance Corporation Limited and Citibank, N.A., nodce is hereby given that the Rate of Interest for the third one month sub-period has been fixed at 14% per annum and that the interest payable for the third one month sub-period in respect of U.S. \$10,000 nominal of the Notes will be U.S. \$117.81. The total amount due for Coupon No. 1 payable February 29, 1980 is U.S. \$364.31.

February I, 1980

By: Ciribank, N.A., London, Agent Bank

CITIBANCO

This nevertisement is naithar on offer to sell nor o solicitation of on offer to buy these securities, but appears as a motter of record only.

4,000,000 Shares

Portland General Electric Company

Common Stock (\$3.75 Par Value)

Dean Witter Reynolds Inc.

Blyth Eastman Paine Webber

Merrill Lynch White Weld Capital Markets Group Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bache Halsey Stuart Shields

Donaldson, Lufkin & Jenrette

The First Boston Corporation Bear, Stearns & Co.

Drexel Burnham Lambert

Dillon, Read & Co. Inc. Goldman, Sachs & Co.

E. F. Hutton & Company Inc.

Kidder. Peabody & Co.

Lehman Brothers Kulin Loeb Lazard Frères & Co.

L. F. Rothschild, Unterberg, Towbin

Salomon Brothers

Incorporated Shearson Loeb Rhoades Inc.

Smith Barney, Harris Upham & Co.

Warburg Paribas Becker Daiwa Securities America Inc.

Wertheim & Co., Inc.

The Nikko Securities Co.
International, Inc.

Nomura Securities International, Inc.

Yamaichi International (America), Inc.

Sanyo Securities America Inc.

Foster & Marshall Inc.

New Japan Securities International Inc. Nippon Kangyo Kakumara International, Inc.

p.s. months
4.07 1.90-1.80 cm
4.34 2.65-2.55 cm
8.18 7½-6½ pm
3.73 57-47 pm
-0.49 ½-72 dis
-1.12 0.15-0.25dis
2.48 9½-8½ pm
-2.63 5-105 dis
-2.50 30-130 dis
-3.50 15-17 dis
7.35 18½-16½ pm
6.15 11½-10½ pm
9.84 12.50-12.20ps
5.08 67-57 pm
12.11 11½-10½ pm

1660-1670 Austria.... 0.0030-0.9035 2elgium... 43.55-44.00 Renmark. 6,7035-3.7055 France....

0.610-0.622 0.2702-0.2733 Netherlands...
0.610-0.623 0.2702-0.2733 Netherlands...
0.9470-4.9630 9.1836-2.1835 Portugal ...
2901.0-3.5060 1.0166-1.0160 Spain ...
7.55.7.68 9.2500-3.3610 Switzerland ...
1.8520-1.9540 0.8170-0.8180 United States...
8.43-8.55 6.7418-3.7428 Yugoslavia...

Weaker trend

January 31

Geld Coins

two weeks. Total intervention was termed as large, and comprised moderate purchases of Treasury bills, both from banks and discount bouses, and a small call loans, but rates eased later

and discount bouses, and a small call loans, but rates eased later number of corporation bills, all in the day to 16 - 16; per cent.

ransfers to the Exchequer and a small decrease in the note circulation. These were outweighed by the repayment of Wednesday's moderate official loans and the unwinding of a small number of bills on a previous sale and repurchase agree-

noon, compared with FFr 88,425 (\$676.32) in the morolng, and

FFr 89,400 (\$684.96) Wednesday afternoon.

In Frankfurt the 12! kilo bar was fixed at DM 37,500 per kilo (8672.06 per cuncel, compared with DM 39,180 (\$703.50) previously.

In the day to 16;-16; per cent.
In the interbank market overnight money opened at 17;-18;
per cent and eased on the forecast of a moderate shortage to
17;-17; per cent before coming
back to 17;-18 per cent for late
morning and into early afternoon.

Extent then eased may in back.

January 30

(£3025,-30714) (£3195,-3124) (£310,953) (£304,808)

(£802-307) (£302-307) (£76-78) (£76-80) (£77-80) (\$77-855-265)

CURRENCY MOVEMENTS

Note Rates

28.10-88,36 65.05-65.55 12,33-18,40 9.17-9.23 3.94-3.961₂ 1880-1960 641-546 4.34-4.361₂

THE POUND SPOT AND FORWARD

23-130 pm 2-130 pm-12, dis 0.05-0.15p dis 32-22-pt pm 15c pm-35 dis 10-80e dis

10-80c dis 4½-6½ lire dis 7½-6½-ore pm 5½-4½-c pm 3½-1½-ore pm 4.60-4.30y pm

THE DOLLAR SPOT AND FORWARD

† UK end freiond are quoted in U.S. currency. Forward premiums and discounts epply to the U.S. dollar and not to the individual currency.

2.2865-2.2676 2.6250-2.6270 4.36'-4.37'-64.20-64.30 12.32'-12.33'-1.0680-1.0690

1.0580-1.0590 3.95-3.96 113.90-114.10 150.05-150.16 1,831¹₂-1,832¹₂ 11.01¹₂-11.02¹₄ 0.25¹₂-9.26¹₂ 9.43¹₂-9.44¹₄ 542-643

2.2800.2.2705 2.2865-2.2875 0.82-0.72c pm 0.1521-1.1610 1.1598-1.1599 0.91c pm-0.02dis 1.1581-1.1610 1.1598-1.1599 0.91c pm-0.02dis 1.5180-1.3255 1.3255-1.3255 0.46-0.39c pm 1.28.21-28.35 28.33-28.35 1.75-2.25ore dis 1.75-2.25o

Special European Brawing Currency Rights Unit

CURRENCY RATES

OTHER MARKETS

2.2640.2.2705 2.2665-2.2675 0.82-0.72c pm

28.33-28.38 3.71-3.72

2.2640-2.2705 2.62765-2.6350 4.34.4.38 63.80-84.35 12.28-12.35 1.0615-1.0686 3.53-3.3671 113.50-114.20 160.00-190.65 1.827-1.833

11.01-11.12 9.20.9.27 9.43-9.46 538-646 28.23-28.40 3.67-3.72¹2

W. Ger.

remained firm in quiet foreign exchange trading yesterday. The doilar improved on indications of a slight easing of tension in the Middle East, including an improvement in the Afghanistan situation. It finished around the firmest level of the dsy against the D-mark at DM 1.7440, compared with DM 1.7370 previously, and improved to SwFr 1.6375 from SwFr 1.5210 against the from SwFr 1.6210 against the Swiss franc. The dollar's tradeweighted index, as calculated by the Bank of England, rose to 85.1

fell to a low point of \$2.2640- D-mark rising to DKr 3.1290 \$2.2650, but improved to a from DKr 3.1270, and the French general level of \$2.2675 for most franc to DKr 1.3385 from DKr of the day, helped by firm Lon- 1.3368. Outside the EMS the of the day, helped hy firm Lon-don interest rates. In the afternoon the pound touched \$2.2695-\$2.2705 and closed at \$2.2665-22.265 and closed at \$2.2665. DKr 12.3395 from DKr 12.2570 on the day. Its trade-weighted index, on Bank of England figures, rose to 71.8 from 71.7, after standing at 71.8 at noon and 71.7 in the morning.

DMARK—Very strong, but remaining steady within the Enropean Monetary System fixing against all its EMS part-

D-MARK—Very strong, but remaining steady within the Enropean Monetary System recently—The D-mark showed a little adverse reaction to West Germany's record trade deficit last year and expectations of even worse figures in 1980. It was little changed against EMS currencies at the Frankfurt fixing, and improved in terms of the Swiss-frane. The Bundesbank did the EMS is the continued to improve the continued to the EMS ground at the Enuscience that th Swiss franc. The Bundesbank did top of the EMS last November—not intervene when the dollar The lira continued to improve was fixed at DM 1.7394, compared against members of the EMS, but

against most EMS members at franc continued to lose ground the Paris fixing. Outside the sgainst the D-mark despite EMS the dollar rose to FFr 4.0710 Germany's current second from FFr 4.0595, and sterling to deficit last year. It also fell Fr 9.2365 from FFr 9.1970. The against other European currenwiss franc fell to FFr 2.5072 cies, and the U.S. dollar

around \$50m, amid speculation that Bank Rate may be increased to the near future. It has

remained at 11 per cent since September 17. All members of the EMS improved against the Sterling opened at \$2.2650, and krone at the fixing, with the ell to a low point of \$2.2640 D-mark rising to DKr 3.1290 dollar rose to DKr 5.4420 from DKr 5.4190, and sterling to DKr 12.3395 from DKr 12.2570

with DM 1.7340 previously, while sterling rose to DM 3.9460 from DM 3.9230.

FRENCH FRANC—Strongest STRANC—One of the strongest European currencies, and the strongest European currencies. member of the EMS since late but slightly weaker against December—The franc lost ground D-mark since the new year—The

| EMS | EUROPEA | N CURI | RENCY | UNIT | RATES |
|-----|----------------|------------------------------------|-----------------------------|--------------------------|------------|
| | ECU central | Currency amounts against ECU | % change from central | % change adjusted for | Divergence |

| <u> </u> | rates | January 31 | rate | divergence | limit |
|---------------|----------|---------------------------------|-------|------------|-------------------|
| Balgian Franc | 39.7897 | 40,4945 | +1.77 | +1.48 | ±1.5 |
| Oonish Krone | 7.72336 | 7.79710 | +0.95 | +0.64 | ±1.6 |
| Gorman 0-Mork | 2.4B208 | 2.49375 | +0.47 | +0.18 | ±1.1 |
| French Franc | 5.84700 | 5.83797 | -0.15 | -0.46 | ±1.3 |
| Outch Guildor | 2.74362 | 2.75325 | +0.35 | +0.04 | 1 -1.5 |
| Irish Punt | 0.662201 | 0.674678 | +0.97 | +0.66 | ±1.6 |
| Italion Lira | 1157.79 | 1158.06 | +0.02 | +0.02 | ±4.0 |
| | | CU, therefore djuotment calc | | | |

EXCHANGE CROSS RATES

| Jan. 31 | PoundSter(ing | U.S. Dollar | Oeutschem'k | Japan'seYen | FrenchFranc | Swiss Franc | DutchCuild'r | Italian Lira | Canada Oollar | Belgian Franc |
|--------------------|---------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|---------------|---------------|
| Pound Starling | 0.441 | 3.267 | 6.926 | 548,5 | 9.260 | 9.716 | 4.970 | 1832. | 2,627 | 64,25 |
| U.S. Dollar | | 1. | 1.745 | 232,9 | 4.086 | 1.689 | 1.928 | 808.1 | 1,159 | 28,34 |
| Doutschemark | 0.253 | 0,573 | 7,290 | 157,2 | 2,541 | 0,939 | 1,105 | 463.2 | 0.654 | 16.25 |
| Japanese Yen 1,000 | 1.843 | 4,179 | | 1000. | 17.07 | 6.848 | 8.066 | 3377. | 4,841 | 112,4 |
| French Franc 10 | 1,080 | 2,448 | 4,271 | 685.9 | 10. | 4.012 | 4,719 | 197a, | 2.836 | 69.38 |
| Swiss Franc | 0,269 | 0,610 | 1.065 | 146.0 | 2,426 | | 1,176 | 493,1 | 0.707 | 17.29 |
| Dutch Guilder | 0,229 | 0.519 | 0,905 | 124,1 | 2,112 | 0.850 | 1, | 410,2 | 0.601 | 14,70 |
| Italian Ura, 1,000 | 0,546 | 1,237 | · 2,158 | ··· 896,1 | 5.055 | 2.028 | 3,326 | 1000. | 1,484 | 35,07 |
| Canadian Dollar | 0.381 | 0,263 | 1,505 | 205.6 | 3.528 | 1,414 | 1.684 | 697,2 | 4,088 | 24.46 |
| Beiglan Franc 100 | 1,556 | 3,628 | 6,166 | 844.4 | 14.41 | 6.782 | 6,802 | 3851, | | 100. |

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit; ene-month 13.90-14.00 per cent; three-months 14.02-14.12 per cent; six months 14.05-14.15 per cent; one yeor 13.70-13.80 per cent.

| Jan. 51 | Storling | U.O.Dollar | Canadian Dollar | Outch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Asian \$ | Japanese Yen |
|--|--|--|--|--|--|--|--|--|---|--|
| Short term? days' notice. Manth Three months Six months One year | 1716-18 1816-1814 1734-1776 1676-17 | 1512-1354 1558-1378 1542-14/5 1414-1412 14/6-14/5 15/6-14/6 | 1234-1334 1234-1334 15-6-15-13 1334-1416 13-5-13-6 | 11.114 11.114 114.114 114.114 114.114 114.115 | 58-18 158-176 454-478 538-512 658-534 618-518 | 816-816 816 814 814-846 816-816 816-816 21g-856 | 12-1314 10-1214 1218-1856 1214-1275 1914-1312 1358-1356 | 12-16 2016-24 2014-22 20-2154 2014-21 21-22 | 150-16% 14-1416 1438-1412 1458-1412 14-1412 | 45-95-77-77-71-8-4-81-81-81-81-81-81-81-81-81-81-81-81-81- |

Long-term Eurodollar two year 124-13 per cent; three years 124-125 per cent; four years 124-125 per cent; five years 124-125 per cent; nominal closing rates are closing. U.S. dollars and Canadian; two-day cell for guildon and Swiss france. Asset pressure closing rates are closing rates are closing rates.

INTERNATIONAL MONEY MARKET

U.S. rates ease

U.S. Treasury hill rates showed lightly easier tendency yesterwith 13-week bills at 11.92 experienced on Wednesday eased. Gold fell \$40 to close at \$602-655 in fairly quiet trading in the other than the one-month rate. Which fell slightly to 121 per cent which fell slightly to 121 per cent day. It opened at \$675-685, and the other than the one-month rate. y hy noon to around 13 per of, and up until that time the

ederal authorities had made no love to drain reserves by making everse repurchase orders. Tradi-onally the Fed. intervenes someime between 10.30 am and noon, ime between 10.30 am and noon, at could step into the market ip until 1.30 pm under normal ircumstances. Market sources aggested that the Fed may be in neutral position this week, with a necessity to add or drain inds, but suggested further that aless the authorities took money out of the system today Treasury till yields would fall even further. In Paris cell money fell back rom Wednesday's five year peak of 12: per cent, to 12: per cent is the technical shortages

FRANKFURT

AUG SEP OCT NOV OEC JAN

JONEY RATES

JEW YORK

ERMANY

Call Money

20-week hills at 11.50 per cent pared with 11.54 per cent eral funds had cased considers, by noon to around 13 per it, and up until that time the learl authorities had made no ve to drain reserves by making erse repurchase orders. Tradi-

ing of the Bundesbank ended without any changes on monetary policy, and it bad aiready been annenced that no press con-ference would be held following the meeting. Call money in Amsterdam was

quoted on 8 wide spread of 101-111 per cent compared with 111-11; per cent previously, after Tuesday's announcement by the authorities of a further special advance facility of Fl E90m. Period rates remained largely unaffected, although six-month moncy rose to 114-112 per cent from 112-113 per cent.

UK MONEY MARKET amount of assistance for nearly

Large help

Bank of England Minimum Lending Rate 17 per cent isince November 15, 1979) The shortage of short term funds continued in the London money market yesterday, but the authorities gave the smallest

LONDON MONEY RATES

| Jan. 31 1980 | Oterling Cortificate of deposit | Interbank | | Local Auth. negotiable bonds | Finance House Deposits | Company | Discount market deposits | Treasury Bills & | Eligible Bank Bille & | Fine Trade Bills # |
|-----------------|---------------------------------------|-----------------------|------------------------------------|------------------------------------|------------------------------|---------|--------------------------------|---------------------|-----------------------------|--------------------------|
| Overnight | | 15-181g | | | | 174-173 | 164-17 | | _ | _ |
| 2 days notice | | ! - [| 18-124g | i i | - | | _ | I – | | _ |
| 7 daye er | _ | | _ | 1 – I | _ | ! | _ | | - | |
| 7 days notice | | 1778-18ig | 16-124 | [- } | 124 | 12 | 167g-17 | ļ | _ | _ |
| One month | 184,1712 | 177g-12 | 177g-12 | 1254-1219 | 121 | 1774 | 153. | 15년-16운 | 1776-18 | 1854 |
| Two menths | 181g-17# | 17+3-17+2 | - | 1212 12 | 1214 | \ _* | | 15%-15% | | 124 |
| Three months. | 17:5-17:5 | 173g-177g ; | 17-4-1754 | 177g-175g | 124 | 1778 | 164-16m | 15 - 16 | 17- | 174 |
| Six menths | 16%-16% | 1654-197 ₀ | 161 ₂ -166 ₉ | 185g-12 is | 17 | | | | 154-16 | 16/2 |
| Nine months | 138-15 | 16-161g | | 154-14% | 1814 | l | l _ i | | | |
| nc Year | | 154-155 | 15la-157e | 15ta - 155a | 16 | ! | · _ | | <u>~</u> . | |
| Two years | _ | | 164.1512 | | _ | | | | 1 | _ |

direct from the discount bouses.
The market was helped by a moderate excess of Government disbursements over revenue transfers to the Exchequer and

Local outhorities and finance houses seven days' notice, others seven days fixed. "Long-term local authority mortgage rates nominolly three years 15½-15½ per cant; leav years 15½-15½ per cent; five years 14½-15½ per cent. OBonibilif rates in tobic ora buying rates for pinne gaper. Buying rotes for lour-month benk bills 16½-15½ per cent; four-month trade bills 17½ cer cont.

Approximate selling rates for one-month Tressury bills 15½-15½ per cent; two-months 15½-15½ per cent; thromonths 15½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½ per cent; one-months 16½-15½ per cent; one-month trade bills 18½ per cent; two-months 16½-15½-15½-15½ per cent; one-months 16½-15½ 15½ 15½ per cent; one-months 16½-15½-15½-15½ per cent; one-months 16½-15½-15½-15½-15½-

| | COUNTRY | CURRENCY | VALUE OF DOLLAR | COUNTRY | CURRENCY | VALUE OF DOLLAR | COUNTRY | CURRENCY | VALUE OF BOLLAR |
|---|---|---------------------|--------------------------|-------------------------------------|--|--------------------|---|-----------------------------------|---------------------------|
| | Afghanistan | Afghani (O) | 44.00 4,4687 | Greenland | Denish Krone | 5.424 0.7025 | Papua N, Guinea Paraguay | . Guerani | 0,68 96 167,60 |
| . | Algoria | Dinar | 3,8325 4,0508 | Grenada. Guadeloupe | Local Franci | 4,0608 1,00 | Peoples D. Repub- | S. Yemen Dinar | 0.3415 |
| | Andorra | Spanish Peseta | 56.33 07,687 | Guatemala | - HUBELEI | 1.00 33.4182 | Philippines | Soi Ph. Paso | 7.40 |
| | Angola | E. Caribbean 8 | 2,7026 1645.58 | Guines Republic | Swi | 18,7485 0:5606 | Pitoairn Islanda | - TAZ-2 | 1,0116 31.00 |
| 1 | Argantine | Australian S | 0,9005 | Wall | Gounda | 5.00 | Portugal Port Timor | Port. Escudo | 50.25 |
| 2 | Austria | Portug, Escudo | 12,4556 50,25 | Honduras Repub | . Lempira . | 2.05 4.782 | }.Puerto @co | . u.s. s | 1.00 |
| | Bahamas | Sekamian 5 Diger | 1.00 | Hungary | . Forint (O) | 54.00 | Gatar | Gatar Ryal | 8.70 |
| | Sahrain Salearic Isles Bangladesh | Taka | 66.35 | loeland | , I. Kronz Ind. Rupes | 363,40 7,8926 | Raunion, He de ta., | French Franc | 4 0508 0.5935 |
| | Barbados | Bahados \$ | 2,01 28,175 | IndiaIndiaIndiaIndiaIndiaIndia | Rupiah Riai | 625.00 71.50 | Romania | Lou | 4.47 92.84 |
| 7 | Belgium | B. Franc (F) | 28,75 | Iraq Irish Republic | ireo Dinar | 0,2983 2,1617 | | | 0.7025 |
| 5 | Benin | C.F.A. France | 203,038 | Israel | . Israeli Pound | 36.61 | St. Christopher | Sterling | 2,8 52 7 2,7025 |
| 5 | Bermuda Bhutan Bolivia | Indian Rupes | 7,8926 25,00 | ivory Coast | • | 806.45 203.036 | St. Helena | C. F.A. Franc | 203.032 2,7025 |
| | Botswana | Pula | 0.7858 43.79 | Jamaica | Jamaican Dollar | 1,7885 | Samor American | · U.3 # | 1.00 |
| | Brit. Virgin leles | U.S. \$. | 1.00 2.152 | Jordan | Jordan Dinar | 0,295 | San Marino Saudi Arabia | Souch Rive | 806,45 3,3598 |
| | Brunei Sulgeria | Lev | 0,879 6,7071 | Kamouchea | , Rist Kenya, Shilling | 7.3.568 | Senegal | C. F. A. Franc S. Ruzes. | 203,038 5,8919 |
| ٠ | Burina | Burundi Franc | 90.00 | Kenya Korea (Nth) Korea (Sth) | . Won | 580.00 | Singapore | Зіпрарого 5. | 0,8830 2,1650 |
| 1 | Camerolin Repub | | 903,038 1.1619 | Kuwait | . Kuwait Olnar | 0.2794 | Solomon Islands | . 8,1, 5 . Som, 6hilling | 0,9005 5,0241 |
| 5 | Canary Islando Cepe Verde Isla | 2panish Peseta | 66.63 66.51 | Lao P'pis D. Rep., | . Kip of Lib. . Lebanase Pound | 400.00 9.2843 | South Africa | . rand . Pesete | 0.8176 66,55 |
| 1 | Cayman Islands Cent. Al. Emp | Cay. is. \$ | 0.836 203.038 | Lesotho | . Ratid | 0.5176 1.00 | Spanish ports in North Africa | 2p. Peseta. | 66.95 |
| ı | Chile | C.F.A. Franc | 908,038 | Libya | . Libyan Dinar | 1.619 | Sri Lanka Sudan Republic | O. T. Kubes | 16.67 0.50 |
| | China. | . Renminbl Yuan | 1,5438 48.38 | Luxembourg | Lux Franc | 28.175 | | | 0.80 1.80 |
| | Comores Islands Conge (Brazaville). | C.F.A. Franc | 203,032 203,038 | Macao | Patros MG Franc | 5.31 205.038 | Surinam. Swaziland Sweden. Switzerland Syria. | Litengeni S. Krisse | 0.8175 4.165 |
| Ì | Costa Rica | Colon | 8,57 | Madeira Malawi | . Portugasa Escuido | 50.26 0,8037 | Switzerland | Swiss Franc. | 1.819 3.9262 |
| ı | Cuba | Cyprus Pound | 0,7235 0,5467 6,25 | Malaysia Maldive islands | , ranggit | 2,185 3,93 | | New Taiwen # (0). | |
| ı | Czechoslovakia Dem.Rep. 2'oTeme | | 1 6782 | Mail Bentiblic | Mail Franc | 406.075 0.3435 | Tenzania. | . Tan. Shiffing. | 8,2895 20.50 |
| 1 | & Principe | S. Teme Dobra | 34,3676 5,424 | Marta | Local Franc | 4.0608 40.6075 | l Togo Republic | . C.F.A. Franc | 203.038 |
| 1 | Illibouti | Olibouti Franc | 170,151 2,7025 | Mauritius | M. Rupee | 7.596 22.81 | Tonga Islands | Trin. 4 Tob. \$ | 2,4065 |
| 1 | Dominica Dominican Repub | Domin'en Peso | 1.00 | Mexico | . C.F.A. Franc | 203,038 | Tunisis Turkey Turks & Galoos | Lira. | 70,00 |
| 1 | Egypt | Sucre Pound (5) | 27.20 0,6925 | Monaco | Tugrik (0) | 6,3655 | Tuvelu | . U.S. 5 . Australian S | 1.00 0.0005 |
| 1 | El Salvador Equatorial Guinea | Colon ' | 2.60 56.66 | Morocco | .: Dirham - | 0.7025 3,8702 | | Ug. Shilling UAE Dirham | 7.9368 |
| 1 | Ethiopio | Birr (OI | 2,0856 5,424 | Mozambique | . MOZ. Escudo | 60,4945 | | | 6.7400 2.2627 |
| | Faroe Islands Falkland Islands | Faikland Is. E | 2,2607 | Namible | Rand Aust 5 | 0.8175 | Upper Volta Uruguay | . C.F.A. Franc. Urug. Peso (M) | 203,038 8,46 |
| | Fili Islands | Markka | 0.8344 3.69 | Nepal | Aust. 8 Nepalese Rupee Dutch Oulider | 10.00 | | | 0.654 |
| 1 | France French C'tyin Af | C.F.A. Franc | 4.0608 203.032 | ! NatherlandAntille | s Antillian Gulld | 1.80 | Vatican Vanezuela | BOWAL | 806.45 4,2967 |
| 1 | French Oulans French Pacific Is | C.F.P. Franc | 4,0608 74,2912 | New Habrides | FNH NZ 5 | 65.623 1.0116 | Vietnam. Virgin Islands 13.5 | Dong (0) | 8.12 1.00 |
| 1 | Gabon | C.F.A. Franc | 203,038 1,7678 | Nicaragua Niger Republic | ., Cordoba | 10,00 203,038 | Western Samoa | | 0.0111 |
| 1 | Germany (Easti | Ostmark (O, | 1.735 | Nigerta | Nairs (O) | 0.580X 4.8995 | Yeman | | 4.57 |
| | Germany (West) | Cedi | 2.75 2.2227 | Norway | f Risi Omani . | 0.3456 | Yugoslavie | Now Y. Dinar | 18,8561 |
| ١ | GibraltarGilbert le | Aust. \$ | 0,9005 | Pakistan | Picst. Rupes | 9.01 | Zaire Republic | Zaire Zaire | 0.0254 |
| | Greece | Trechme | 38.18 | Panama | DayDoa | 1.00 | Zambia | " PANEOUN . | |

a. Not available. "U.S. dollars per National Currency unit. (0) Official rate. (C) Commercial rate. (F) Financial rate. ficial rate for specified exports and imports. (2) Suden—Official rate for ell treosactions except specified exports as (3) Egypt—A different rate applies to cartain transactions with non-IMF countries.

European Conference on Monopolies, Mergers and **Restrictive Practices**

MUNICH, FEBRUARY 28-29, 1980

New legislation is about to be adopted providing for stricter control of mergers and acquisitions and giving greater powers to anti-trust agencies to prevent abuse of market power by large companies and to screen restrictive agreements and practices.

The Financial Times has decided that the new competition policy requires explanation and clarification and is holding the European Conference on Monopolies, Mergers and Restrictive Practices in Munich on February 28 & 29, 1980.

The international panel of speakers, with experience both of commercial law and of industry will examine the more significant implications of the new policy in a number of European countries and in the European Community, where the Commission is moving towards a stricter interpretation of the EEC treaty.

Constructive proposals for action to avoid stagnation and frustration will be discussed, which could benefit the longer term development of your organisation's international trade.

For full details of the agenda and registration procedures complete and return the coupon below.

EUROPEAN CONFERENCE ON MONOPOLIES, MERGERS & RESTRICTIVE PRACTICES

To: Financial Times Limited, Conference Organisation, EUROPEAN CONFERENCE ON MONOPOLIES, MERGERS AND RESTRICTIVE PRACTICES, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-236 4382

Telex: 27347 FTCONFG. Please send me full details of your European Conference on Monopolies, Mergers & Restrictive Practices.

Address

A FINANCIAL TIMES CONFERENCE

| NEW YORK Stock St | Gt. Basins Pet 264 2872 MGM | Schlitz Srow, J. 85a 83a Schlumberger 107 1G17a SCM | Fresh | early | Wall | St. s | trength |
|--|--|--|--|--|--|--|--|
| ASA 604 558 604 604 604 604 604 604 604 604 604 604 | Gumman | Scudder Duo V | Wall Street staged a free advance, but was well below impring's best at mid-session. The Dow Jones Industrial Average, after Wednesday's ref 7.51, was 9.90 higher at 891 | esh close \$5.4m. in over the mepts from 1971 to 19 St. Joe Minerals rial lower December-quarterise fits and lost \$1 to \$3 LSI THE AMERICAN SE | seas pay- to Y956, Miss 178. Pioneer Electronic Transported Y1,860 and Y7,969. | ubishi YIS to Y721, ectropic Y20 to Yamaha Motor Y16 | Mines 30 cents to AS7 90. Kath- leep Investments, up AS1 50 on Wednesday, closed unity 10 cents higher at ASS 60 after sales as high as AS9 40. Among Golds, Contral Nurse- man put on 20 cents to AS7 20. |
| Alcan Aluminium 3114 5915 Conta Contac 514 24 Alco Standard | Harnischfeger 157a 14 Murphy (GC) 141a 14 14 14 14 14 14 | 18 Sect | at 10.30 am yesterday, it slipped back to 838.57 at 1 to leave 8 oet gain of 6.68 the overnight level. The NY All Common Index was 37 cerup on balance at \$66.51, aft tonching \$66.75. Gains at m session led declines by 2 ou | pm 277.81 at 1 pm, after ob 279.41. Volume 6.58r (4.74m.). ter Canada id- ne- A further sharp a | d 1.44 st reaching reaching gathered pac shares advant front on strool in gas well a tonal demand ad wide e sharp re | rallying lendency re yesterday, with cing over a hroad g fresh foreigo huy- is domestie institu- i. This resulted in relyal in trading | GNK 30 cents to AS4.40 nod Poseldoo 10 cents to AS2.55 despile the avernight Builton price fall in New York. Santos stood out in higher Oils with a rise of 60 ceets at AS9.00. On the Industries shot ahead |
| Alcoa 62 4 61 54 6 | Nitton Hotels | 78 Smith Hino | | om day morning in extreme of dealings. The Toronto (index rose 20.4 to 2,048 day, while Golds addet and Metals and Minera | composite recovery at 7 0 of mid- d 32.8 at oil price rise 1 at 4278.5 sharply, BM ls 35.1 at Daimler-Benz | pressed of late by worries, pieked up W galning DM3. DM 4.50 and Volks- | AS3.00 more to AS13.00 in Mel- bourne on heavy volume for a two-day gam of AS4.30 amid rumours that the Japanese Mitsu- hishl Group may incresse its sbareholdings. Baok NS Wales added 16 cents at AS3.24 and Pioneer Sugar 15 cents at |
| Am. Express | Houston Nt Ges 4476 4378 Houston Oil Min. B678 27 Howard Johnsn 2412 2414 Hudson Eay Ming 5014 6978 Nth. Am. Coal 4656 477 Nth. Am. Coal 4656 477 | Source 26 251 Sw Bancahares 26 251 Sperry Corp 583e 505 Spring Mills 181e 187e Square D 211e 211e Squibb 567e 363e Stri Brands 221e 617e Stri Brands 241e 241e Stri Bras Paint 241e 241e | iog orders hefore the opeoin yesterday morning, iocludin increased domand from Europ Many investors oow vie equities es a hedge against ioff thoo, they added, sod are movi- money into stocks rather the | ing climbed 7.10 to 204.97 a and 3.30 to 330.51. Tokyo Tokyo With the overnig an Street rise eiding scoti | nd Banks Machioc M particularly Babcock rising DM 7.50, ht Wall DM 4.50 and H bank DM 6, which was the bank DM 6, which w | anufecturers were strong, Dentsche g DM 12 and Linds ank moved ahead sayerische Vereins- while Schering, in | AS3.30. Hong Kong Following Wednesday's sharp sethack the market picked up in the first hour of tradios, but |
| Am. Standard 5e 5512 Data Cen 66 5534 4512 Am. Stores 25 65 65 Octa Air. 5612 5612 6612 Octa Air. 5614 5612 6612 Octa Air. 5614 5612 6612 Octa Air. 5614 5612 6612 Octa Air. 5614 5612 5614 5614 5614 5614 5614 5614 | Humana | Sho Oil Indiana | deht. The market was all helped by corporate divider oews. The Oil group coptinued strengthen, but many Defent lastes were hit by profitakin while Gold and Silver share slipped as Bullioo price | pd early dealings, but the more than grased lat substantial profit-taking ire towards the close. The heavy trade of 650m shies above Wadnesday's 480m | gaip was or when occurred occurred re was a ares, well m. Australia The receot contiousd, wi nated by fres | t buoyant treed th trading domi- sh strong support | fresh profit-taking later ensued to leave mixed price movements on balance. Turnover was much below the recort high daily levels. The Hang Seng index, after retreating 23 points the previous day from its six-year peak, classed |
| Anshor Heckg 165g 181g Anhouser-Bn 245g 64 Arcate | Ci ADR | Sundstrand 414 41 Superior Oil 154 15114 Super Val. Strs 2215 32 Syntax 4112 41 TRW 47 4618 Taft 3172 3212 Tampax 2212 2916 Tandy 3918 3166 | weakened. Volume leader Westinghous Electric gained a net s to 256 after hitting \$27 at noe poin its best level since 1973. Wes inghouse has raised the quarter dividend for the first time | 5§, down on the day at 6.76 nt, Tokyo SE was a cet 0. st, at 467.66, while fells fill numbered rises on t io Market section by 384 to | than 20 Hezvyweights, sing S.44 issues. The s.16. The naries index index islly out-the First index climbed 267. | and some Oil Sydney All Ordi- moved abead 9.70 w record of 862.87, tals and Minerals 115.91 to 5.5825.79. | 8.09 lower at 907.50, partly weighed down by index enu- slituent Hoogkong and Kowloon Wharf, a particularly weak spot with a fall of HK\$6 at HK\$64. Hongkong Baok shed 10 cents o HK\$21.40, as did Hong Kong |
| Assd 0 Goods | Int. F.avours | Tenneco 427s 4222 Tesoru Pet. 614s 22 Texas Comm. 8k 48 484 Texas Eastern. 67 6714 Texas Qas Tri 614 4014 Texas Oss Tri 614 3014 Texas Oss Tri 613 364 Texas Oss Tri 613 364 | seveo years. Exxon, which also increase its dividend, rose 1 to \$62 Active Texaco put on to \$36 Cities Service \$2 to \$100, Su \$2\tilde{t}\$ to \$81\tilde{t}\$ and Superior Oil \$ to \$155. In the Defeore group, Grun | the rumours that the Sovieties actively buying such materials as aluminium and zinc oo the Europe modity markets. Nippor | osted hy .Copper advant et Upion Metals Excb strategic while lo Aust copper its price AS2, an com- Electrolytic Re Mining Ing topped to | nt the opening peed on the London lange overnight. Cralia, MIM raised 500 a tonne and effining and Smeltbat with a oew | Laod to HKS14.20, but Jardine Hatheson, following a higher overalght London price, regained to ends to HKS17.20. Johannesburg |
| Bait. Gas & El. 211c 217c 217c 217c 217c 217c 217c 217c | Jewol Cos | Textron 283, 285s Thomas Betts 45 4514 Tidowator 40 6832 Tiger latt 241s Times Mirror 601s Times Mirror 50 | man receded \$21 to \$281, Lockheed \$12 to \$451, Littop it \$561. Beeing it to \$671 an McDoppell Douglas \$1 to \$49. Textron, which added is \$291, has reached a settlemen with the Securities and Exchange | k. Mining Y84 to Y844. to Machine Tools were bigher on news of Jepanese machine tool of at December, Toshima egaining Y15 to Y426 an | re also Silver and Le record Sands and Urders in joined in the Machine BH South at to AS5.70. P | wore on, Golds, and the second | Gold shares were easier after selive trading in line with a lower international gold price. lowever, there were signs of enswed London interest for hares shortly before the close, and losses were limited to about 00 ceots in the higher-priced |
| Beth Steel | K Mart 213a 213a 213a Pennzoil 48 471a 48 48 48 48 48 48 48 4 | Tonka | Closing prices for North America were not available for this edition. | Oils. Steels, Trading Shiphuildings and orleotated issues mainly lower, with Nippon Oil | Houses, to AS6.20, Borexport- closed to AS6.10, We losing cent sto AS4.90 | ugaloville Copper G 8,56, CRA 14 cents estern Miniog 40 e | old Issues. Platioums and Coppers de- lined, hut Industrials were leliced to make headway. |
| Block HR 2614 867a Excell 0 4214 411a Excell 0 697a 291a | Kimberly-Cik | Triton Oil Gas | Stock 30 29 Petra Abitibl | Jan, 31 Price + or Frz | Jan. 31 Prise + or Fis. All Holding 79 - 1.8 All 10 - 0.6 | Jan. 31 Prics Aust. 8 NZ Group 4.65 Srow Aust 1.00 Ilistale Expl. 1.45 mpol Pet 1.38 Aust. Pulo Pap. 6.60 6.60 | Jen. 31 Price + sr Yen - |
| BP | Tropher | Union Carbide | Bit Nova Scotia 2549 2512 UCB. Bit Nova Scotia 2549 634 Unito Basic Resources. 1418 1578 Beil Canada 1954 20 Bow Valley 4979 4859 BP Canada 88 3776 | on Miniero | 0 | uet Cons Ind | M'to Elec Werks |
| Sucyres-Erio 203, 211, 211, 211 Inti Banc 405e 406, 404, 321, 314, 321, 321, 321, 321, 321, 321, 321, 321 | Liggett Group | U9 3tesi 103g 183g 0 US Su12 cal 2954 50 US Tobacco 254 537g 0 US Trust 22 22 Utd Technologs 52 517g 0 | Can NV Lands 3012 1218 Cop | ica skand | ovens 73.1 -0.8 Browens 73.1 -0.2 Browens 73.1 -0.2 Browns 73.1 -0.2 Browns 73.1 -0.5 Brown | rambles inds | 0.05 Hippon Dense J.200 -20 Hippon Gakkı 740 -1 Hippon Meat 453 -1 Hippon Shinpan 625 -1 Hippon Shinpan 625 -1 Hippon Steel 130 -2 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan 217 -6 Hippon Sursan Motor 728 +3 |
| Campbell Soup 3014 3016 Foremost McK 27 2634 | Lucky Strs | Uplottn | Con Pasifis | Index 168 Index | 12,3 | nntainers 2.70 nnzinc Riotin 6.10 + pstain 2.10 + pstain 2.40 inico 0.88 + der Smith GM, 3.40 didawour Res. 0.43 + cor. 0.88 | Hisshin Flour 384 +4 |
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markets

fall back

COPPER feil back on the London Metal Exchange yes-

terday after another day of

sharply fluctuating prices. Cash wirebars closed £34 down at £1,287 a tonne, but

it was noted that there was a

strong undertone in splte of

the nervous market condi-

Heavy selling hy a U.S.

merchant house brought cash lead down by £10.5 to £503.5 a

tonne. Other metals were

also generally depressed by

the decline in copper, as well as the falls in gold and silver.

under strong seiling pressure in early dealings, hat then leapt back again to new life of

contract highs before easing finally in late dealings. The see-sawing in the market was

attributed to a sudden surge

in New York when a decline had been expected.

· Attempts to establish the

contract size and delivery points of a new London-based

petro-chemicala futures mar-ket took a further step yes-

terday according to James

Sweeney, chairman of the

London Commodity Exchange

Mr. Sweeney said there was

growing optimism among com-

mittee members that a viable

petro-chemical futures mar-

ket could emerge shortly in-volving Gasoil

Contracts Committee.

World sugar also came



Grant aid streamline plan Metal to save £34m a year

BY RICHARD MOONEY

THE GOVERNMENT'S economy drive has taken its first real 2. hite ont of agricultural spending with the announcement huildings (previously 40 per yesterday of a "streamlining" cent under the EEC scheme and plan to trim a projected £34m a year off the cost of eapital grants to farmers by 1983/84.

In a written reply to a question on changes planned in the capital grant schemes in the light of Sir Derek Rayner's 32.5 per cent for the EEC review of the spending of acheme and 22.5 per cent for Government departments, Mr. the national scheme. - Peter Walker, the Agriculture The same rates apply to Minister, said he had accepted

Sir Derek's recommendation that the existing grant schemes should be radically simplified fand rationalised. The changes, which came

changes. Which came since the changes which came into effect today, are expected to lead to a reduction of 400 ft in the staff engaged in administrating the achemes over the next four years. This will save about £2m at current release. : about £2m at current values.

The rest of the savings repre- altogether. sent expected reductions in grants paid out. The actual figure will obviously depend on the general level of investment in agriculture over the period the share going to individual aectors.

nearly a third of the Govern- over £250.000. Mr. Walker said

heen narrowed from 16 handa, ments above this ceiling. He to "eight.

Grants on dairy and cattle 30 per cent under the netional scheme), horticultural build-ings and works (30 per cent and in 1980-81 the cut is projected ings and works (30 per cent and 25 per cent) and sheep housing (25 per cent and 20 per cent) have heen unified at rates of

certain land improvements such as fencing, water supply and grassland regeneration which previously qualified for grants of 25 per cent and 20 per cent.

The biggest cut is for investment in dairy equipment where the EEC grant goes down from 20 per cent to 5 per cent and the national grant (previously 20 per cent) disappears

Higher rates are still avail-able in "less favoured areas" except for horticultural enterprises. The other major change is

the setting of a grant limit of £136.000 for any single project. Last year the capital grants In the past some developments schemes cost about £185m, have qualified for grants of ment's agricultural spending. half the projected saving was. The range of grant rates has in respect of potential pay-

said recent tax changes had given a considerable boost to farming operations of this size. The savings are expected to

come through gradually as at only f4m.

Mr. Walker also announced a simplified procedure for applying for grants partly through the abolition of the prior aproval" stage of the application. He said the staffing cuts,

which would he achieved hy natural wastage, would he shared hetween the Ministry itself (250) and the Agricultural Development and Advisory Service (150). But the ADAS cuts would be on the administration side and the advisory service should have more staff available rather than iess, he added. Mr. Richard Butler, president of the National Farmers' Union, said the cut would add to the

difficulty of maintaining, "let alone expanding" agricultural production. He accepted the need for the system to be streamlined and welcomed the rise in certain grants. But be noted that the overall reduction in aid to farmers came at a time when real incomes in agriculture had fallen for the third auccessive

Fish export experiment

Ministry scientists returned mouth, Cornwall, after a 20-day trip with a mere 45 tons of

Swanella is one of four vessels chartered by the Agriculture and Fisheries Ministry In a £433,000 venture aimed at establishing new areas for Britain's ailing fishing industry. Ahout half the catch of scad. which has a "kippery," ofly taste was made off Start Point, South Devon. The rest was hauled at a promising spot about 150 miles could be I and about 150 miles south of Lands End, on the edge of the con-tinental shelf.

CEREALS

The case for autumn barley

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

reason other than in occasional malting harley. years the sun has been shining and the land is fit to plant then. The month can of course be. offensive of sowing and

fertilising.
This will not be as traumatic. as it used to be. Twenty years that my sample was just as bad ago, for instance, I used to have as everyone elses. Then buyers sowing programme of some would tell us that they could 500 acres of harley. Today I get all the supplies they have no more than 100, the required from other counties, work of three fine days et most. The reason is two-fold: vellous.

Instead of using 2 spring Nevertheless there was some variety my harley acreage is art in the job. The grain was

largely autumn sown. . . . I have made this change for the simple reason that with ripe was hard and steely. The these strains I can grow a heavier crop in most years. This is hecause it avoids the cisted with all the lust of a risks of a spring drought, ripens striptease voyeur. But science sooner, and so gives me the opportunity to spread the harvest. Spring barley ripening coincides with that of wheat, and so it really means that I chemists that harley ahould be can manage with moch less use chosen on more scientific of the combine harvester.

This is an important point, herause with these machines costing anything up to £40,000 over which the farmer has no and used for ebout ten days a year, any economies in their use must be worth while.

spring starts around the first of sown is that I am no longer so any mattater come to me on February, for no very good concerned with trying to grow bended knees I will treat him with a take it or leave it atti-There was a time when I was tude. Speaking with profound ignorance of course, as any quite a competitor in the malt-

ing barley stakes. I went to maltiter will agree I do in this one else had had a marvellous of course it is. crop and the price was no better than that for feeding, or else But the real trouble is that

the better malting varieties do not in the main yield as well as chose grown for feed. At least not under my conditions. Nor under some other people's either, if the results of the Institute of Brewing's malting barley-competition this year ere where crops had been mar-Nevertheless there was some a reflection of reality. The champion sample from

Porlock, of a winter barley, Maris Ottec, yielded 30 cwts an assessed by eye and cut, ripe barley had e floury interior, unecre, while the runner up from Oxfordshire no more than 25 roundness of the berry and thinness of its skin was apprecwts. My own non-maiting crops everaged 39 cwts an acre over-all. It is true that in Scotland and parts of East Anglis yields Some crude materialistic were good probably as a result maltster—and I could name him of seasonal factors. The point is that it is very donhtful if the preminms paid for malting barley compensates in any way grounds, and instituted a nitrofor the lower yields.

gen test. From this there is no eppeal, and it is something control. And we all know what has happened to beer over the

I HAVE always believed that cation for the switch to autumn bulk and my mig head. Should smiling, something I cannot spring starts around the first of sown is that I am no longer so any matterer come to me on recollect having seen ever beinre.

Many other farmers are thinking as I am, and this has been worrying two different vested interests. The malisters are trydreadful, as it was last year, endless trouble growing crops matter. I can assert that main ing to persuade farmers to Yer from now on I will be that might qualify, only to find can be made from any quality resist the temptation of higher attempting to start the spring after harvest that either every of barley. In times of shortage yields of feed varieties, by some ing to persuade farmers to fairly heavy propagands to grow that which pleases them. The trouble is that their cash offers of premiums are not

attractive enough.

The other comes from the seedsmen with an interest in growing spring barley. They are worried that all their considerable investment should come to naught. There has been a great deal of propagands to the effect that winter barley is so suscep-tible to disease that it requires much larger expenditure on chemicals and fertilisers than spring barley.

This is highly tendentious. My experience is thet under my conditions winter barley is a much better bet all round. Why do I grow any spring barley at all? Simple because I have pigs and sheep. One field was dunged too late for autumn sowing, and the sheep have been This was particularly true last wintering on a grass field utumn when premiums shortly to be ploughed. And if autumn when premiums shortly to be ploughed. And if plummeted with the knowledge you wanted any further proof that the proportion of good that winter barley must be the quality grain was very high right course, the fact remains indeed. I even saw the biggest that in France, Germany and So now I grow my barley for huyer in Salisbury market Belgium it reigns supreme.

Cautious plan for Rhodesia tobacco

BY MARK WEBSTER IN SALISBURY

THE RHODESIAN tohacco in- Rhodesia as an OCT (Overseas Rhodesian tohacco. dustry will adopt a cautious Countries and Territories) growth policy in spite of the country which gives it dutypreferential tariff agreement reached with the EEC and other countries, the Rhodeaia Tohacco

Association has said.

The RTA said the tariff agreement was "far hetter than we expected" and would be worth about 28 cents a kilo for -all the coming year's exports. Although it was still early to judge the exact size of this year's crop. it will be arount 95m to 100m kilos and the RTA was hoping for a price of RH \$1.20 to RH \$1.25 a kilo

During the 14 years of sanctions, Rhodesia had to sell its crop at well below the world price, which in turo squeezed so tohacco farmers.

free entry to the Nine for a period of one year.

A number of other countries have agreed to grant duty concessions under Generalised Systems of Preferences (GSP) which are also expected to give a hoost to the Rhodesian Tohacco industry.

The EEC agreement will permit the Rhodesians to export as much tohacco as they can under the favourehle-tariff terms. But when the year is finished they will have to negotiate new terms either under the ACP convention Lome 2 or simply GSP.

But the RTA is anxious to the profitability of the 1,500 or ensure that the production rate not allow tobacco to dominate so tobacco farmers. keeps pace with the size of the The EEC agreed to treat market available for exported before.

the years of UDI, when it was necessary to trade secretly through middlemen, the country lost a substantial part of its traditional export market. Before UDI ahout half went to

Britain alone. The RTA would like produc-tion to expand at around 10 per cent a year. It feels that the high cost of setting up a tobacco farm will hold expansion to about that level, even though profitability of tohacco farming is now likely to increase considerably.

The Ministry of Agriculture has made it clear that it wants to maintain the benefits of diversification into other crops in ferming which were forced on the country during UDL and

disappointing

from a voyage of discovery yesterday reporting only qualified success in their hunt for new species of fish for export. The 1,190-ton freezer trawler Swanells arrived hack at Falhorse mackerel-" scad "-in its

Weather crucial to grain ban impact

BY JOHN EDWARDS, COMMODITIES EDITOR

THE WEATHER in the Soviet cattle would be 2 last resort, Union over the next few months in view of the time needed to will be of great importance in deciding the effectiveness of the U.S. grain sales embargo, according to the International Wheat Council

In a special review of the although most exporting emhargo, included in the although most exporting to step. Council's latest market report, tries have agreed not to step up grain sales to the Soviet up grain sales to the Soviet decide whether the USSR succeeds in overcoming the grain shortfall and maintaining livestocks numbers. If the winter Is not too severe, the grazing sesson could begin early end favourable weather would also lead to an increase .ln winter grain production. If the USSR is forced to slanghter livestock, it is expected that pigs and poultry, fed mainly on grain, would go first.
Extensive slaughtering of

rehuild herds. An alternative: would be to reduce the rations fed maintaining the animals for rapid finishing when grain supplies improved.

reared its ugly head.

last 20 years.

-took the advice of

year, the extent to which this undertaking applied to a longer period would depend on political developments and the forthcoming harvests in the northern hemisphere. It is pointed out that unoffi-

cial data on annual changes in Soviet grain stocks indicate that following the record 1978 crop there may he substantial holdings that may be drawn down to help offset present difficulties.

from other sources. Russia's total grain imports in 1979/80 could amount to between 22m and 26m tonnes. This compares with estimated requirements of hetween 32m and 35m tonnes. Russian imports of wheat, however, are expected to he

only 2m tonnes lower at 9m tonnes and the Council has in fact raised its forecast of world wheai trade in 1979/80 by 1m to. 78m tonnes. The Council has also raised its estimate of world tonnes, 9m up on its November estimate, but still well below

Looking at 1980 crop pros Union,

The review estimates that pects, the review notes that taking into account the possi- farmers have made considerable hilities of replacing U.S. grain efforts to expand the area sown to wheat in the U.S., Western and Eastern Europe, as well as the European USSR.

Most winter grain areas in Western Europe have enjoyed e relatively mild winter, but it is reported that Chinese crop prospects have been hit by the absence of rain in key winter wheat provinces during Novem-

Rebert Lindley writes from wheat output in 1979 to 423.5m Buenos Aires: Victor Pershin, tonnes, 9m up on its November president of the Soviet agency Exportileb, and two other offi the 1978 record harvest of cials, yesterday continued their 449.2m. This reflects a rise of contacts with grain exporters 5m tomes in the Soviet wheat here, to establish what will he crop, lm for Australia and the tonnage of Argentine grain increases for Canada and U.S. ... sales this year to the Soviet

Oec. 5303.25, Jan. \$306.50. Brazil Yellow Feq. unquoted. Argentine

Cocca (FFr por 100 bilos)—March 1351-55. May 1336-42, July 1340, Sept. 1340. Dec. 1365-70, March 1370-90. Salos et call 0.

DOW JONES Dow Jan. Jan. Month Year Jones 50 89 ago ago

Spot ... 444.67 439.61 415,77,876.18 Ftor s 460.78 446,47 491,10,889.29

(Avarage 1924-25-26-100)

Jan. 51 Jan. 50 IM nth ago Your ago

1809.5 1808.2 1718.e 1614.8

(Base: September 18, 1931-100)

REUTERS

BRITISH COMMODITY MARKETS

** COPPER—Fall away on the London Malel Exchange Rumours of an serly Russian withdrawal from Alghanistation coupled with bearish Pleas comment saw forward matal fall sherply from C1,310 to £1,250 on the pre-markel. Thereafter the price gyraled between £1,270 and £1,294 before closing the late kerb of £1,279. Turnovar the late kerb of £1,279. Turnovar the late of £1,279. late karb st £1,279. Turnover 24,525

| COPPER | a.m. Official | , + or | p.m. Unofficiel | + or |
|------------|------------------|---------------|--------------------|-------------|
| | £ | £ | £ | £ |
| ":Wirebara | 1229-300 | | 1286-8 | 84 |
| e months | | 31 34 | 128a-s | -35 |
| Cathodes | 1240.2 | -81 S | 1831-S | -38 |
| 3 months | 1262-3 | -25.5 -31 | 12ee-5 | -33.5 |
| Settlem't | 1242 | | *121-33 | <u> </u> |

Amalgamated Matel Trading reported that in the morning cash wrabers traded at £1,290, 1,303, 2, 10, 1,300, three months £1,270, 71, 73, 75, 72, 80, 95, 88, 85, 84, 83, 86, 90, 88, 89, 90, 91, 92, 93, 91, 90, Cathodes, cash £1,243, 42, three months £1,251, 62, Kerb: Wirebara, three months £1,290, 87, 88, 89, 88, 87, 86, 87, 86, 87, 86, 87, 88, 87, 8

LEAD—Under pressure as heavy selling, thought to have been in the region of 2,000 to 3,000 tonnes, from one quarter pushed forward metal down from £508 to £482.5 prior to a close on the late kerb of £488.5. Turnover 12,575 tonnes,

29 Lamont Road, London SW10 OHS. 1. Tax-free trading on commodity futures.

CORAL INDEX: Ctose 451-456 /-5)

TIN—Easier. Forward matal openad on a stoady note at £7,400 and hald that lavel following good overnight U.S. damand coupled with Japanese I.G. Index Limited 01-351 3466.

COMPANY NOTICES

NOTICE TO THIRD 6" PREFERENCE OVIDEND ON THIRD 8" NOTICE TO THIRD 6" PREFERENCE STARRS IN THE PREFERENCE STARRS IN THE PREFERENCE STARRS IN THE PREFERENCE STARRS IN THE PREFERENCE STARRS IN THE PREFERENCE SHARPHOISETS COMPANY AT THE CIOSE OF THE COMPANY AT THE CIOSE OF USINGS OR FINDEY. 1980:

Martin 1980. Tegrstrered to the boots or the COMPAINY at the close of the control

1989.

8v Order of the Board.

8. C. CRAGII. Secretary.

Registered Office:
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Transfer Executation.

London Office: Granty Registration Services. Boyrna House. 32. Beckenham Road,

2. The commodity futures market for the small investor.

JUGOSANKA UNITED SANK FLOATING RATE NOTES OUE 1883 In accordance with the ordisions of the Notes notice is hereby often that the state of the state

TO THE HOLDERS OF (NSILCO OVERSIAS CAPITAL COPORATION N.V. GUARANTEEO FLOATING RATE
In accordance with the ordesions of the
above Noise. Morgan Guaranty Trust
Company of New York, as Fiscal Agent,
has determined the rate of interest part
bile with respect to Cougon No. 20 on
Thursday, July 3151 1950, to be fifteen
and swe-oightts per cent 1(875%) per
annum.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK Fiscal Agent Oated February 1st. 1980,

TRAVEL

GENEVA. Basis. Zurich and Berne. wides choice of cheap flights from 4 U.K. air ports. Brochure FALCON 01-351 2161

PUBLIC NOTICES CITY OF BRADFORD
METROPOLITAN COUNCIL
Silts amounting to 22.900,000 were issued
on 30 January, 1980, for materity on 30
April, 1898, 65% were labed at the
millmum rate of 15-59/64%. Applications total 517,409,000, 81lis guissanding
total \$5,500.000.

months £504, 5, 6, 7, 8, 9, 8, 8.5, 8.
Karb; Three months £507. Alternoon: Wednesday evening. Physicals were cash £508, 10, 04, three months £506, 7, 8, 5, 3, 2, 1. Korb: Three months levels and looking to continue their policy of scale-up selling, reports Gill 89, 88, 85, 86.

TIN Official — Unofficial — Uno

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|-------------|-------|-----------------------|----------------|------------------------------|--------------|
| e me | enths | 570·1 684-5 571 | +2 +4 | £ 366-8 380-1 •87,e | 2.74 |
| Ma £382. | | : Cash & | 371. 70 84. |), three me | enth Thre |

months 2384. Altermoon: Three months 2384, 85, 86, 84, 83, 21, 80, 5, 21, 80, Kerb: Three months £381, 80, 79, 78, 77, 75, 73, 72, 68, 70, 71, 70, 72, 75.

ALIMINIUM—Lower tollowing presure on cesh metal, which widened the contengo to sround £15. The offerings of cash matories coupled with a general tack of Irash buying interest depressed forward imetal, which fell back from £312 on the pre-market to closs the lots kerb at £303. Turnover 8,225 ronnes.

| Cash | Cash | E514, 13, 12, three | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Cash | Moming: Cash £896, 85, three months £908, 7, 6, 5, 2, 9, 10, 9, 2, 7, 9. Kerb: Three months £907, 6, 7, 2. Aftemoon: Three months £907, 8, 7, 2, 5, 4, 3. Kerb: Three months £904, 3, 2.

N1CKEL—Down mainly owing to fach of Interest. After trading at £3,175 on the sarty gre-market, forward mainly gave ground to close the late kerb at £3,165. Tumover 738 tonnas.

NICKEL s.m. + or p.m. Official - Unofficial Spot 3030-40 -52.5 2040-50 | -52.5 e months 3160-70 -52.5 3165-70 | -39 Moming: Three months £3,165, 70, 85. Afternoon: Three months £3,170. 80. Korb: Three months £3,150, 70,

SILVER

Silver was fixed 94.8p an ounce lower for appar delivery in the London bullion marker yeaterday at £15.542. U.S. cent aguivalente of the fising levels wors: Spot \$35.28, down \$2.07; three-month \$35.505, down \$2.245; six-month \$35.507, down \$2.174; and 12-month \$35.527, down \$2.028. The metal opened at £15.4-12.3 (\$35.37) and closed at £15-15.9 (\$34-36). SILVER Builfon + or LM.E. | — | Inding price | Unofficial

pot ... 1854.8p -94.8 1820p -87.5 months 1878.5p -184 1548p -87 months 1878.5p -191 9months 1890.8p -94 - LME-Tumover 228 (170) lots of 10,000 ozs. Maming: Cash 1540, three menths 1585, 90, 95, 70, 75, 80, 65, 60, Karb: Three months 1570, 75, close 1576, 1585 Alternoon: Three months 1550, 80, 40, 50, 45, Karb: Three months 1545, 40, close 1545, 50,

Steady for much of the day, futures tasked charply at the close end on the

Yesterd'ys + or &usiness Glose — Done COCOA March 1468-70 -14.6 1492-66
May 148-68 -15.0 1430-65
July 1474-75 -12.5 1494-74
Sep 1490-91 -15.0 1507-14-90
Ouc 1516-90 -17.6 1552-28
March 1283-50 -11.0 1693-50
May 1632-69 -10.6 -

Sales: 2,685 (2,692) lots of 10 lonnes. International Cocoa Organization (U.S. cents per pound): Oally pncs Jan. 30 147.59 (145.39); indicator pncs Jan. 31: 15-day swar8ge 144.21 (144.04): 22-day swar8ge 143.48 (143.30).

London colles futures (siled to follow a strong New York performance, the morket weekened gradually during the morning to register losses of 15-18 from the previous closing levels, reports Oreaci Sumham Lambert. In the attemport the merket maintained a steady rone while under commutation house selling presents and syentually ralled back to finish futt off the delly highe after some late trade buying.

COFFEE Close + or Business
Correct Close - Done January March May July Sept 1623-24 +8.0 1525-07 1636-87 +8.5 1544-88 1654-57 +6.0 1260-44 1662-67 +8.5 1676-88 1550-64 -1.5 1571-65 1550-75 +7.5 1665

JERUSTY Solas: 7.556 (3.865) lots of 5 tonnes. ICS indicator prices for Jan. 30 (cants per pound). Other Mild Arobicas. 159.50 (158.67). Robustas ICA 1576 156.50 (156.00). ICA-1568 156.75 (156.25). Unwashed Arabicas 213.00 (soms). Comp. daily ICA 1565 179.27 (179.25).

GRAINS

LONDON GRAIN FUTURES—The market opened unchanged on wheat and barley. Trade was generally thin and values cased slighdy to cless 10-20 down on old crop wheat and 10-15 down on barley. New crops again sew little trade and registered losses of 5p-10p on wheat and a 5p gain on borley, reports Ach. WHEAT

M nth close - close -Mar. 100.10 -0.10 97.25 -0.10 May. 104.20 -0.20 101.25 -0.10 Sept J 95.60 -0.10 83.50 -0.10 Nov... 100.22 -0.08 97.1e +0.05

Nov... 100.22 -0.08 97.16 +0.05

Business done - Wheat March
100.20-100 05, May 104.40-104.20, Sapt.
90.55-96.50, Nov. 100.30-100.25, Sales:
99 lote of 100 tonnes. Barley: March
97.45-97.25, May 101.35-101.25, Sept. no
rade, Nov. 97.10-97.10. Sules: 95 lots
of 100 tonnes.

HGCA - Locational ex-farm spot
prices. Feed barley: 5, East 95.00,
S. West 95.20, W. Midlands 96.10,
N. West 93.80, Other Milling wheat
S. West 95.80, W. Midlands 97.40.
IMPORTED - Wheat U.S. Owrk
Northem Spring No. 2, 14 per cent,
Jan. 99.50, Feb. 102.00, March 102.50,
Iranshipment East Coast. U.S. Hord
Winter, 13½ per cent, Feb. 98.50, March
199.50 transhipment East Coast. Meize:
U.S./French Feb. 117.25, March 118.25,
transhipment East Coast. Barley:
English Feed fob Feb. 101.50, March
102.50, April 104.50, East Coast. Rest

The London physical market opened speed, with good interest et lower levels, closing on a steadler nota. Lewis and Peat reported a Melaysian godown price of 342 (350) cents a kg (buyar, February). No. 1 Yest rdays Previous austress R.S. Close Close Done

78.56.88.60 73.60.73.70 78.48.76.00 Apr. 90.59-51.59 (80,58-51.20 Apr. Jne 82.10 92.55 (82,00-82.50 82,00-81.65 Jly. Gapt 85.20-53.40 85, 15-85.25 85,48-88.50 Oct. Occ 87.50-87.35 97.08-87.10 87.58-85.50 Sales: 527 (826) et 15 tonnes; 14

SOYABEAN MEAL

Physical closing prices (buyer) were: Spot 79,00p (78.50p): March 78.25p (same); April 80.00p (same).

| | Yest'rd'y Clase | 101 | Business Done |
|-----------------------|--------------------|----------------|------------------|
| · | Pertonna | <u> </u> | |
| Februery | 118,50 20,4 | -0.56 | 120.50-20.00 |
| April | 115,50-15.7 | -0.70 | 118,40-11,59 |
| August October | 116,50-18.8 | -0.80 | 117.80-18,50 |
| Occomber- February | 120,28-91,5 | -0.75 -0.1e | 178.80 |
| Sales: 110 | (58) lete | M 10 | 10mms |

CONDON DAILY PRICE (rew suger):
214.00 (C211.00) a tonne off for Jen.Feb.-March -shipment. White suger
delty pice was E212.00 (sems).
Losses of some E550 at an ective
opening were quickly recouped and
once again rhe market made steedy
gains to record new life of contract
highs before prefit-taking lowered
prices by I3.50 at the close, reported
C. Czemikow. Sugar Pref. Yest ridgys Previous Business Com. Close Close Done Con.

March 220,50-20.76 222,50-25,06-224,79-15,66
May. 224,05-24,10-224,50-24,70-227,60-18,00
Aug. 227,06-27,50-27,50-27,50-225,56-28,50
Oct. 227,10-77,592,27,75-22,06-229,76-23,50

Salas: 8,103 (11,940) loto of 50 NO. 4 CONTRACT—Close (In order, buyer, sells/ only). May 223.10, 223.75; Aug. 225.30, 225.50; Oct. 226.75, 227.50; Jsn. 222.25, 222.50; Merch 226.00, 227.00; May 25.00, 227.00, 6oles: 3,524 (310).

28.00. 227.00. May 225.00, 227.00. Soles: 3,524 (310).

EARLEY Set rday or close — buyer, saller, business, sales). April 220,00. 224.00. 221.00.220.00. 5; July 220.00. 330.00, 221.00.220.00. 5; July 220.00. 330.00, 221.00.225.00. 225.00. 225.00. 235.00. nil. nil. New. 225.00. 225.00. 225.00. 225.00. 225.00. 225.00. 225.00. 225.00. 225.00. nil. nil. New. 225.00. 225.00. 225.00. nil. nil. July 220.00. 236.00. nil. nil. July 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230.00. 230

WOOL FUTURES SYDNEY GREASY WOOL—Closs (in order: buyer, seller, business, selles). Australian cents per pound. March 478.0, 480.0, 486.0-489.0, 109; May 525.0, 528.0, 528.0-523.0, 726; Oct. 518.0, 520.0, 623.0-518.0, 151; Oec. 520.0, 521.0, 522.0, 528.0-523.0, 128; March 520.0, 522.0, 523.0-520.0, 128; March 520.0, 522.0, 524.0-520.0, 38; May 523.0, 525.0, 524.0-521.0, 525.0, 524.0-521.0, 525.0, 525.0-521.0, 525.0, 525.0-521.0, 525.0, 525.0-521.0, 525.0, 525.0, 525.0, 525.0-521.0, 525.0, 525.0, 525.0-521.0, 525.0,

523.0.521.0, 19, Selee: 1,472.
LONDON NEW ZEALAND CROSSSREDS—Close (in order buyar, seller, businese, seles). New Zealand cents per kilo. May 399, 409, nil, nil; Aug., 415, 420, nil, nil; Oct. 420, 425, 420, 2: Occ. 419, 422, nil, nil; Jen. 420, 423; nil, nil; Merch 423, 430, nil, nil; Merch 423, 430, nil, nil; Merch 423, 430, nil, nil, Merch 423, 420, nil, nil, Merch 423, 425, 435, nil, nil, Seles: 4.

PRICE CHANGES tonnes unless otherwise stated

Jan. 31 + or Month | Aluminium | E778/16 | 2760/70 | Free Mkt (es) \$2048/2659 | \$1850/18 | Copper | E1,287 | S4 | £1,078 | E4,282,6 | S3 | £1,104 | Cash Cathods | £1,282 | S6 | £1,049 | S6 | £1,084 | S6 | £1,084 | S6 | £1,084 | S6 | £1,084 | S6 | £1,084 | S6 | £1,084 | S6 | £1,084 | S6 | £1,084 | S6 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084 | \$1,084

Tungsten22.94(6)\$138 \$157.76 \$157.76 \$157.76 \$157.76 \$157.76 \$152,156 \$152, conut (Phil) selor +5 \$880

Seeds Copra Philip. 5600 +19 5670 Spyabean(U.S.) 5265w ...+2 5265 Grains Barley Futures £101.25 -0.18 £67.56 Malzs

French NoSAM £117,26s
Wheat
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SRAOFORD—Wool prices are tending firmer with crossbrade slightly allower than merinos. However, demand le gansrelly from oversees as Sritish buyers are affected by declining order

COTTON

LIVERPOOL—Spot and shipment sales emounted to 183 tonnes, bringing the total for the week so lar re 432 tonnes. Mixed operations indicated some freer involvement among somers. Activity centred on Middle Essiem growth, including Russian and Turkish.

MEAT/VEGETABLES MEAT/VEUETABLES

5MITHFIELD—Pence per pound. Beef:
Scattish killed aidea 64.0 to 68.0; Eirs
Inindquerters 70.0 ro 72.0, Torsquerters
48.0 to 50.0. Veal: English fats 78.0
to 50.0 Outch hands and ende 108.0
to 112.0. Lamb: English small 54.0 to
64.0, medium 44.0 to 58.0, heavy 40.0
to 53.0; Scottish medium 44.0 to 68.0,
heavy 40.0 to 53.0. Imported frozen:
NZ PL new season 50.0 to 51.0.
Ports English, under 100 fb 40.0 to
50.0, 100-120 lb 38.0 to 48.0, 120-160 fb
37.0 to 45.0.

stock prices at representative merkets on Jenuary 31. GB—Cattle 79,820 per kgiw (-0.52). UK—Sheep 136.7p per kgestdew (-4.5). GB—Pigs 54.9p per kgiw (-1.7). COVENT GARDEN—Prices in starling per package accept where otherwise stated: Imported Produces: Oranges—
Sparnie: Navel/Navelines 3.50-4.20; Jaffe: 1,500 men, was then called in Navels/Shamouti 50/183s 3.90-5.50: protest over the appeal; and has 3.80-4.00; Egyptien: 2.80-3.00. Saturnase—Spanie: 95/189s 3.00-3.80. Lemens—tution: 100/150s S.00-5.20: Cypnat 11

missioner, but the employers appealed against the decision:

The strike, involving about 1,500 men, was then called in Protect over the appeal; and has alled up the movement of worth tens of millions of tution: 100/150s S.00-5.20: Cypnat 11

EUROPEAN MARKETS

ROTTEROAM, January 31.

Wheet—U.S. No. 2 Oarl, Hard Winter, 13.5 per cent, Feb. \$203, March \$205, U.S. Herd Winter ordinary unquoted. Soyammal—44 per cent protein U.S. No. 2 Red Winter Feb. \$202, March \$204, U.S. No. 2 Northern Spring, 14 per cent, Feb. \$210.50, March \$204, April-May \$241, April-Sept. Spring, 14 per cent, Feb. \$210.50, S246, Nov.-March \$259, Baszil Pellets March \$213, April-May \$201, May-June \$201, June-July \$203, July-Aug. \$204.

PARIS, January 21 Maize—U.5. No. 3 Com Yelkow allosi 5132, Jen. 5132, Feb. 5132, Merch 5134.50, April-June 5141.50, July-Sept. 5147. Oct.-Oec. 5150.

Solvabenna-U.S. Two Yellow Gullports affoat \$273.50, Fab. \$272, Mercb
\$274.50, April \$280, May \$282.50, June
\$288.50, July \$290; Aug. \$293.50, Sapt.
\$288.50, July \$290; Aug. \$293.50, Sapt.
\$296.25, Oct. \$287.75, Nov. \$287.50, Soles at call 123,

INDICES FINANCIAL TIMES

Jan 30Uan. 29 M'nth ago Year ago e08.8e 507.01 295.98 | 261.e7 .. (8esa: July 1, .1952-100).

Jan. 30 Jan. 96 M nth ago Year ago 1482.9 1425.7 1390.e 1010.8 (December 31, 1931 = 100) . .

kg. 84/120s 3.30-4.40. Grapefruit—
Cypriot: 20 kg 3.00-4.40: Jeffs: large
boxes 32/35e 3.80-4.80: Florida: Pick,
flesh 36/48c 4.80-5.00. Sours/Bitters—
Apanish: 5.00-5.20. Apples—French:
Golden Belicious, boxes 40 lb 138/176
4.20-5.40, 20 lb 2.20-2.70; Orenny Smith
28 lb 2.40-3.00, 40; lb 4.50-8.00, Stark—
Crimson; apprax. 20 lb 7.2 2.50; 40 lb
S.60-9.30: Hungarian: Starking 40 lb
138e 9.20: Ceredien: Red Oslicious 40
lb 2.50-2.80; Irislan: Genny Smith 20 lb,
per pound 0.13-0.15. Grapes—Celifornian: Red Emperor, per' pound 0.50; S.
African: 11 lb 0sn Ben Hannah 11.00.
Alphonse Lavelle 13.00, Queen of the
Vlosyard 7.20-7.40. Pitums—S. Alrican:
Santa Roses per pound 0.25-0.30:
Osiviotas 0.34-0.45 Pesches—S. African:
23/25/28s 2.80-4.00. Arocados—laresti:
4.00-4.80. Melone—Spanish: 35. La
Green 1.2/15/18s 15.00. Pheespoles—
Ivory Coss: esch 12s 0.60-0.70, 6s
1.00-1.10. Onboss—Spanish: 5.80-3.00;
0.00 cucumbers—Censry: 10s 4,00.
12/14s 4,00-4.20. Capacitams—Cansry:
per pound 0.27-0.33. Celary—American: 24s 7.50-8.00. Postoes—
French: 24s 7.50-8.00. Postoes—
French: 24s 7.50-8.00. Postoes—
French: 24s 7.50-8.00. Postoes—

Italian: boxes 20 lb 3.00; Cypriot: 25 lb
4.90-5.00; Egyptien: 2.80. Destroes—per bag 0.03-0.01.
4.20-5.50, Egyptien: 2.80. Destroes—per bag 0.00-0.31. English
Produce: Potatoes—per bag 0.05-0.03. One-of-0.05-0.00. Box 0.06-0.14.
Conference 0.05-0.14. Pescaper pound 0.60-0.14.
Pescaper per pound 0.05-0.20. Swedes—per 25/28 lb 0.07-0.80. Persons
per 28 lb 1.00-1.20. Rhuberb—per pound 1.05-0.00.
Persons of the conference of the conference 0.05-0.07. Cabbages—per bag 0.30-0.90. White cabbages 1.50. Oniors
12/14s 4.00-4.20. Capacitams—Cansry: 20-0.00. Baraness—Lameican: 28 lb
1.00-1.20. Salvence of the conference 0.05-0.00. Eastroeta—per bag 0.30-0.00. Cacumbers—Censry: 10s 4,00.
12/14s 4.00-4.20. Capacitams—Cansry: 20-0.00. Salvence of the conference 0.05-0.00. Eastroeta—per bag 0.30-0.00. Cacumbers—Cansry: 20-0.00. Cacumbers—Cansry: 20-0.00. Cacumbers—Cansry: 20-0.00. Cacumbers—Cansry: 20-0.00. Cac

Australian wool | Corn syrup strike over

MELBOURNE-Striking wool storemen and packers around Australia will return to work today.

Mr. Simon Crean, Federal secretary of the Storemen and Packers Union, said the men had decided to resume work after a strike lasting more-than two weeks, to allow Arhitration Commission conferences to take MEAT COMMISSION-Average fat place.

The men were recently granted wage rises of up to £8 a week hy an Arbitration Commissioner, but the employers The strike, involving about

plant expansion DAYTON OHIO-Car-Mi, a

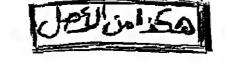
joint venture of Cargill and Miles Laboratories, is to begin expanding its high-fructose-corn syrup (HFCS) plant. Car-Mi expects this to double the plant's capacity for HFCS.

production to produce 400 lb of 55 per cent HFCS annually. The plans will be completed by April 1981. The project resulted from lucreased demand for 42 per cent HFCS and acceptance of 55 per cent HFCS as a sugar

replacement by the soft drink. 1,600 men, was then called in industry, Mitchell said.

protest over the appeal, and has all up the movement of wool HFCS facilities to plants in worth tens of millions of Tennessee and Iowa.

pounds, Reuter



FINANCIAL TIMES STOCK INDICES

Equities remain sensitive to international situation Short Gilts under pressure owing to credit shortage

Options
*First Declara- Last Account Dealings tions Dealings Day Jan. 14 Jan. 24 Jan. 25 Feb. 4 Jan. 28 Feb. 7 Feb. 8 Feb. 18

initial boost yesterday on hopes encouraged by the readiness of the two main steel unions to resume exploratory talks to find e settlement of the dispute. Prices were opened some pance higher but institutional huyers again held off and scattered profit-taking soon began to pare the gains.

Subsequently, the market became agitated by conflicting reports about the situation in Afghanistan and about the U.S. hostages in Teheran. Sentiment in the market was not belpe by the nitra-sensitive attitude of one firm of leading johbers, reflected in sharp mark-downs which tended to inhihit busine and send potential buyers scurrying to the sidelines.

Rallying movements were attempted but proved to he shortlived until trade after the official close when leading shares picked up from the day's lowest. The FT 30-share index amply charted the course of events with a rise of 3.9 at the first calculation of the day, a net loss of 1.7 an bour later which was extended to 5.4 at 3 pm, and a closing fell of 4.3 at 453.3.

A continued shortage of credit in money markets put Discount efforts to become more liquid selling of short-dated Gilt-edged securities. The market steadied during the after hours' trade but losses stretching to 1 were finally reduced by only 1. The short tap. Exchequer 131 per cent 1983 (£60-paid), which was 1983 (£60-paid), which was activated last week at 601.

After a staady start, longer-

Financial Times

F.T. - Actuaries

Industrial Group.

Industrial Ordinary.....

MONTHLY AVERAGES OF STOCK INDICES

in the latter brought a sharp mark-down from which the share market failed to recover. again, tha movement in the FT Gold Mines index reached double

Demand for Traded options contracted 573 deals being arranged compared with the previous day's 1,030. The more active issues included RTZ, 145, BP, 125, and Bacal, 110.

Midland edged forward

Hambros up again

couple of pence more to 377p but other major clearing banks drifted lower on lack of support. Lloyds dipped 4 to 308p, while Barciays, 432p, and NatWest, 362p, cheapened 3 apiece. Elsewhere, Bank Leumi (UK) sose 10 to 120p in response to the results but Hongkong and Shanghal, at 196p, lost 4 of the recent rise which followed news of U.S. clearance for the group's £140m takeovar of Marine Midland. Still reflecting Press comment, Hambros firmed 5 more for a rise on the week so far of 24 to 338p. Schroders hardened 15 to 450p in a thin markat but Axtony Gibbs gave up 2 to 78p. Hire Purchases gave ground with Lloyds and Scottish 4 off at 133p and Wagon Finance a penny

lower at 38p.
Allied Brewerles fell 21 to 731p following news of the £21m placing at about 71p per share: to fund the purchase of Lorimer's, tha Scottish public house and hotel subsidiary of north country concern Vaux.

66.53 66.44 415.a 216.7 13,135

January | Gecember | November | October

dated issues followed the downturn in the shorts and ended with falls extending to \{\frac{1}{2}}. Interest continued to focus on the recently-exhausted tap stock. Treasury 12\{\frac{1}{2}} per cent A 2003-05, which settled that amount lower at £23\{\frac{1}{2}} in £25-paid form; in firstime dealings last Friday the stock touched £26\{\frac{1}{2}}. Gold shares were again dominated by the antics of the hullion price and yester/2ay's fall in the latter knought a sharp marked latter knought a sharp marked latter knought a sharp marked latter at 105p, and 105p, and 105p, while marked latter at 105p, while More latter at 105p, and Belton Textile ing 5 to 170p and Rowatree hardened 2 to 225p, while varied ing 5 to 170p and Rowatree hardened 2 to 225p, while concerns Associated, S5p, and United. S3p, shed 2 and 4 respectively. Small selling in a thin market left Taverner Rutledge to 245p, while occasional support and added 7 to 57\{\frac{1}{2}}\tag{P}. Among regional issues, Davcuports encountered renewed takeover speculation and improved 7 to 155p, while More latter knought a sharp marked latter knought a sharp marked latter at 105p, as did Home. dend and profits with a gain of 12 to 245p, while occasional support ahead of next Tuesday's half-yearly statement left Unitech 8 to the good at 245p. Elsewhere in Electricals, Auto-mated Security improved 5 to 245p, but United Scientific, a takeover speculation and improved 7 to 155p, whila Mor-land continued firm, closing 3 better at 108p, as did Home Brewery, at 325p. letter at 108p, as did Home good market of late, eocountered scattered selling and reacted 7 to 428p, Leading issues fluctuated



drifted lower in quiet trading. BPB eased 4 to 186p and Redland shed 5 to 167p, while London Brick relinquished 1 to 66p. In secondary issoes. Ibstock Johnsen were notable for a gain Johnsen were notable for a gain of 4 at 73p, while speculative counter Mallinson-Denny added a couple of pence to 52p. SGB improved 5 to 240p, hut Burt Boulton, e good market of late on the interim statement, gave up 15 to 200p in a thin market.
ICI encountered early buying and touched 390p before the liquidation of short-term bull positions left the close a couple of pence cheaper on halance at 383p. Fisons shed 4 for a two-day fall of 8 to 284p.

Debenhams below best Still huoyed hy suggestions of

initially hut closed unchanged at 84p. Elsewhere in Stores, fading hid hopes left House of Fraser 3 down at 137p, while Gussies A moved hetween extremes of 410p and 402p before

narrowly before closing with little alteration on balance. Among · the Engineering leaders, scattered demand lifted GKN 6 to 270p, but Vickers

closed without alteration at 131p, after touching 134p in the early dealings. Elsewhere, Hill and Smith were outstanding at 50 p, up 61, in response to the annual scrip issue, while comment on the praisminary figures prompted renewed firmness in F. Pratt, up 2 further at 64p. Fresh demand in a limited market left Chemring 6 to the good at 128p. Midiand Industries continued firmly and improved 2 more to 33p. along with Amalgameted. 93p along with Amalgamated

for ESS,000 cash. Morgan Edwards, the formar's prospec-tive merger partner, held at 106p. In Hotels and Caterars,

renewed interest was shown in Ladbroke which firmed 9 to

Beecham & Glaxo dull Rumonts of a drug price war in the U.S. unsettled Beecham and Glazo. The former fell 7 to 123p and the latter 13 to 477p. Other miscellaneous industrial leaders drifted lower on lack of support to close with falls of around 4. Boots, 186p, Unllever, 480p, and Pilkington, 230p all ending that much lower. Elseending that much lower. Elsewhere, "W" Ribbons rose 6 to. 30p in response to the announce-ment that the groop is to sell its Garman seat belt division for £1.2m. Investment interest was again shown in Sothehys which moved ahead strongly to finish 17 to the good at 487p, while Christies International advanced 9 to 176p in sympathy. Biundell-Permoglaze added 3 to 100p on the results and Aeronautical and General Instruments firmed 7 to General Instruments firmed 7 to 240p on renewed speculative support. Ricardo added 7 to 370p hut Gestetner A fell 5 to 65p as did Haotleigh, to 78p. Firm recently following details of the deal with English Property, Hays Wharf relinquished 5 to 148p after the AGM. British Cinematograph closed unaltered at 95p;

Motor sectors were irregular. Dowty lacked support in front of Wednesday's interim results and shed 9 to 164p, while Asso ctated Engineering fell 41 to 741p following the annual meeting. Fodens gave up a couple of pence to 31p, but ERF put on 3 to 94p.

Lessened optimism about the

the price in recent issues was

Power, a similar amount at 76p.

Foods made a dull showing on Property sector continued worries about the Securities easing 4 to 287p and squeeze on profit margins. Stock Cooversion shedding 8 to Among Retailers, J. Sainshury 366p. Haslemere Estates and remained on offer at 287p, down Brixton Estates gave up 6 6, while Associated Dairies eased apiece to 284p and 129p respectively, while Berkeley Hambro to 641p. Kwik eased 4 to 184p. Town and City, interim figures today, slipped 1 but further demand was but further demand was Fraser 3 down at 137p, while 6, while Associated Dairies eased apiece to 284p and 128p respectively. A moved hetween 2 to 170p, after 168p, and Tesco tively, while Berkeley Hambro extremes of 410p and 402p before shed a penny to 64ip. Kwik eased 4 to 184p. Town and City, at 404p. Gratian Warebouses came on offer at 100p, down 8. The sepectively of the company of t

offer at 157p, down 10.
Plantations continued to respond to small huying in narrow markets, although some

the day's best. Lendu, 93p, and Rembla, 80p, both jumped around 15, while Bertam rose 5 to 69p. Inch Kenneth closed 3 np at 281p, as did Guthrle, at 708p. Padang Senang added 13 to 100p, but Sungei Bahru shed that amount to 213p. Teas also attracted support, with Lunuva advancing 35 to 370p. McLeod Russell rose 21 to 340p following the disposal of part of its holding Russell rose 21 to 340p following the disposal of part of its holding in London Sumatra, 10 up at 435p. Warren, up to 157p ahead of the announcement, fell hack to the overalght level of 152p following the lower first half profits.

South African Golds gave up

Activity in Golds was at a low level as an initial heavy mark-down of prices led to further small aelling and a marked ebsence of any fresh having. market picked up a fraction on to 308p, while Ashton rose 9 to

ford Investments added 5 to 390p.

Secondary Oils encountered further profit-taking, but buying interest was shown at the lower levels and selected issues closed above the day's worst. Slebens (UK) touched 638p before settling without alteration at 650p, while Gas Oil and Acreage finished 50 down at 350p, after 340p. CCP North Sea gave up 11 more to 309p and Clyde closed similarly cheaper at 328p. Carless Capel, 80p, and Ultramar, 436p, eased 6 and 8 respectively. Among the leaders, British Petroleum new shares picked up 2 to 152p; the call of 213p on each new share is due on Wednesday, February 6, and not Thursday as stated here yesterday. Shell finished without alteration at 358p, after 362p.

Among Shippings, Walter Runeiman continued to attract huyers and put on 2½ more to 108p, but Hilford Docks came on offer at 157p, down 10.

Plantations continued to

profit-taking became apparent and most finished a shade below the day's best. Lendu, 93p, and Rembla, 80p, both jumped.

Golds fall

more than half the gains of the previous two days as the bullion price fell sharply to close \$40 off at \$650 an ounce.

57.69 67.63 67.64 67.27 57.78 68.25 66.04 69,04 58,89 69,01 69.40 69.61 487.6 484.0 453.8 452.4 448.7 69.40 69.61 67.74 483,3 329.9 350.5 534.6 311.2 324.9 320.7 7,25 7.15 7.08 Ord. Div. Yield.. 7.20 17.64 17.46 17.89 17.94 18,08 Earnings, Yid. X (full) 17.70 6.98 7.04 6.87 6.91 P/E Ratio (net) (*). Total bargaina 21,294 23.564 62,682 21,505 23,407 23,058 132.17 115.99 139.54 134.23 123.80 88.21 Equity bargains total _ 18,252 18,084 15,660 17,958 17,633 13,154

10 am 481.5. 11 am 455.6. Noco 454.2. 1 pm 453.7. 2 pm 453.6. 3 pm 452.2.

Letest Index 01-246 8026. ▼ NH =6:67.

6 281a 100 Govt. Secs. 15/10/26. Fixed Int. 1929. Industriel Ord. 1/7/35, Gold Mines 12/9/55. SE Activity July-Dec. 1942.

| Н | GHS . | AND I | LOWS | | S.E. ACTIVITY | | | | | | |
|-------------|--------------------|------------------|---------------------|---------------------|--|--------------------------------|------------------------|--|--|--|--|
| | 197 | 79/80 | Since Co | mpilat'n | | Jan. 31 | Jan. 30 | | | | |
| | Hìgh | Low | High | Low | —Daily | | | | | | |
| Govt, Secs. | 75,61 (46) | 63,30 (10/12) | 187.4 | 49.12 (8/1/75) | Gift Edged Industrials Speculative | 108.5 127.8 55.0 90.1 | 136,9 145,7 64,8 | | | | |
| Fixed int | 77.76 (5/5) | 64.06 (75/11) | 150.4 (28/11/47) | 60.56 (8/1/75) | Totals | 90,1 | 100,3 | | | | |
| Ind. Ord | 858,6 (4/6) | 406,3 | 558.6 (4/6/78) | 49.4 (26/6/40) | 5-d y A'yr'6e Gift Edged | | 127.9 | | | | |
| Gold Mines | 360.4 (18/1/80) | 129.9 | | 45.5 (26; 10;71) | Industrials Speculative, | 124.9 03.5 | 169.7 | | | | |

"cheap" huying. The Gold Mines 156p.
Index dropped 20.6 to 329.9. An
South African Financials issue were broadly lower with one or two exceptions. "Amgold " gave up £2 to £38½ and Angio American Corporation 20 to 610p. but De Beers rallied from 454p to close a net 2 firmer at 466p, after touching 474p fallowing the news of e 12 per cent increase in the price of rough diamonds.

London Financials rallied well after a weak start. Gold Fields were active and recovered from 460p to close 2 up on halance at 470p following renewed speculative support, while Rio Tinto-Zinc were finally 4 easier at 406p, after 402p.
Platinums were marked down

along with Golds but were showing signs of a strong recovery at the close. Rustenburg ended 13 off at 271p, after 265p, while Impaiz finished 8 down at 282p, Australians were featured by

the diamond exploration issues which moved up following the De Beers' diamond price rise. Conzine Riotinto were in par-ticular demand and gained 20

17:11

1111101110

456p

73p 350p

381p

356p

LONDON TRADED OPTIONS

Among the more speculative issues, Otter Exploration rallie from 75p to close harel changed at Sip in front of the latest progress report from the

16.06

NEW HIGHS AND LOWS FOR 1979/80

NEW BIGHS (39) AMERICANS (2) Zapata Corp. CARADIANS (1) Gulf OH Care

Automated Security Pifco Perkin Eimer Apc Do. A Unitech · ENGINEERING (2)

Callyns

FROPERTY (1)

Mackiow (A. & J.)

SHIPPING (1) Holles Group TRUSTS (2) OIL & GAS CI

Cluff Oli Do. Cont. A OVERSEAS TRADERS (2) Mitchell Cott RUBBERS (3) Bertam Coms. Guthrie

NEW LOWS (13) 2015 pd.) AMERICANS (1)

Exchar, 13-pc 1963 Treas, 12-pc (£50 pd.) AMERICANS (1) BEERS (1) Allied Brewerich STORES (1)

ENAGINEERING (2) PAPER (T) Melody Mills TEXTILES (1)

RISES AND FALLS YESTERDAY

| British Funds Corpns, Dom, and | Ս ք 1 | Down 84 | Sar |
|-----------------------------------|-----------------|------------|------|
| Foreign Bonds | 206 | 23 310 | 4 88 |
| Financial and Prop. | 116 | 131 | 25 |
| Plantations | 8 | 80 | 1 |
| Others | 45 | '42 | |
| Totals | 406 | 690 | 1,34 |

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS | TI | ıurs., | Jan. 3 | 31, 19 | 80 | Wed., Jan. 30 | Tues., Jan. 29 | Mon., Jan., 28 | Fri., Jan. 25 | Year ago (approx |
|--|--|------------------|-----------------|---------------------------------------|---|-------------------------------|---------------------|----------------------|----------------------|---------------------|------------------------|
| Figu | & SUB-SECTIONS ares' in parentheses show number of stocks per section | (odex No, | Day's Change | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Index Na. | Index No. | Index No. | index No. | Index No. |
| 1 | CAPITAL 600DS (172) | 234.81 | -0.4 | 18.54 | 6.65 | 6.81 | 235.76 | 234.63 | 231.88 | 232.22 | 232.04 |
| 2 | Building Materials (27) | 230.34 | -1.0 | 17.08 | 6.80 | 7.51 | 232.55 | 228.15 | 225.72 | 225.46 | 206.19 |
| 3 | Contracting, Construction (29) | | -0.2 | 26.07 | 6.84 | 4.74 | 354.74 | 350.78 | 349.29 | 348.01 | 350.0 |
| 4 | Electricals (15) | 593.83 | +0.1 | 13.64 | 4.18 | 9.78 | 593.38 | 595.26 | 585.60 | 592.37 | 545.1 |
| 5 | Engineering Contractors (11) | 289.12 | -0.9 | 25.62 | 8.85 | 4.97 | 291.75 | 287.12 | 285.04 | 282.32 | 358.9 |
| 6 | Mechanical Engineering (741 | 162.53 | -1.0 | 21.11 | 8.00 | 5.87 | 164.15 | 163.76 | 162.24 | 161.85 | 180.5 |
| 8 | Metals and Metal Forming(16) | 162.86 | +0.5 | 20,90 | 9.32 | 5.71 | 162.04 | 162.28 | 160.05 | 159.12 | 160,8 |
| | CONSUMER 60005 | | | | | | | | | | |
| 1.1 | (OURABLE)150) | 218.84 | -0.2 | 16.30 | 5.58 | 7.57 | 219.21 | 219.15 | 215.11 | 214.20 | 205.8 |
| 12 | Lt. Electronics, Radio, TV (15) | 303.80 | +0.3 | 12.62 | 4.23 | 10.17 | 302.82 | 302.90 | 296.95 | 296.00 | 263.3 |
| 13 | Household Goods (14] | 114.60 | -03 | 26,32 | 9.57 | 4.58 | 115.00 | ,114.02 | 114.52 | 133.86 | 164.8 |
| 14 | Motors and Distributors (21) | 114.25 | -1.4 | 23.52 | 816 | 5.02 | 115,84 | 115.86 | 113.50 | 112.77 | 116.3 |
| | CONSUMER GOODS | | | | | | | | | | |
| 21 | (NON-OURABLE) (173) | 219.98 | -1.0 | 18.38 | 6.93 | 6.71 | 222.31 | 223.78 | 222.05 | 222.41 | 2111 |
| 22 | Breweries (141. | 253.06 | -2.0 | 17.66 | 6.91 | 6.65 | 258.30 | 259.89 | 258.45 | 259.97 | 229.6 |
| 23 | Wines and Spirits (51 | 294.87 | -0.B | 18.41 | 6.28 | . 6.71 | 297.39 | 302.78 | 302.96 | 306.31 | 296.0 |
| 24 | Entertainmeni, Catering (17) | 305.51 | -0.3 | 18.27 | 6.86 | 6.B9 | 306.39 | 305.90 | 300.54 | 301.19 | 278.7. |
| 25 26 | Food Manufacturing (19) | 201.81 | -1.3 | 20.06 | 7.21 | 6.16 | 204.55 | 203.80 | 203.01 | 202.32 | 199.1 |
| 5 | Food Retailing (15) | | 2.0 | 13.87 23.17 | 5.01 | 8.61 | 305.25 | 307.34 | 310.33 | 319.14 428.69 | 233.36 |
| 2 | Newspapers, Publishing (13) | 435.56 128.91 | -0.6 +0.1 | 23.10 | 6.90 B.81 | 5.89 | 438.08 128.84 | 438.68 120.28 | 428.91 125.58 | 124.50 | 138.3 |
| 22 | Packaging and Paper (15) | 219.37 | -1.0 | 14.03 | 5.18 | 5.57 9.21 | 221.68 | 277.96 | 223.00 | 220.45 | 193.5 |
| 33 | 5tores(43) | 12819 | -0.4 | 28.73 | 12.67 | 4.40 | 128.69 | 130.78 | 129.70 | 130.33 | 176.5 |
| 36 | Tobaccos (3) | 215.59 | -0.3 | 26.44 | 10.63 | 4.27 | 216.17 | 220.95 | 219.39 | 217.29 | 248.4 |
| <u>چ</u> | Toys and Garnes (6) | 43.32 | -0.3 | 37.79 | 16.53 | 334 | 43.46 | 43.87 | 43.69 | 43.82 | 92.9 |
| ű | OTHER GROUPS (97) | 204.96 | -0.9 | 15.48 | 6.59 | 7.83 | 206.83 | 206.35 | 203.97 | 202.46 | 195.9 |
| 12 | Chemicals (171 | 302.87 | -0.5 | 16.23 | 6.66 | 7.11 | 304.37 | 306.23 | 300.26 | 296.98 | 276.2 |
| 13 | Pharmaceuilcal Products (7) | 210.01 | -3.Q | 1212 | 6.09 | 10.06 | 216.55 | 219.97 | 215.78 | 213.86 | 239.9 |
| 1 | Office Equipment (6) | 116.40 | -13 | 18.82 | 7.02 | 6.25 | 117.91 | 116.09 | 115.13 | 115.37 | 127.5 |
| i5 | Shipping (101 | 443.12 | +0.2 | 11.95 | 7.29 | 10.68 | 442.36 | 435.86 | 433.39 | 433.65 | 421.4 |
| 16 | Miscellaneous (57) | 242.79 | -0.4 | 16.36 | 6.56 | 7.75 | 243.78 | 248.24 | 239.82 | 238.27 | 214 I |
| 19 | INOUSTRIAL GROUP (492) | 227.10 | -0.8 | 17.56 | 6.68 | 7,04 | 228.90 | 229.15 | 226.76 | 226.52 | 218.9 |
| 1 | Oils (B) | 747.34 | +0.5 | 15.04 | 6.38 | 719 | 743.93 | 751.53 | 717.74 | 704.17 | 514.4 |
| 9 | Oils (B) 500 SHARE INDEX | 268.26 | -0.5 | 17.03 | 6.62 | 7.07 | 269.69 | 270.49 | 265.71 | 264.47 | 243.40 |
| <u>. </u> | F)NANC)AL GROUP (117) | 196.77 | 0.6 | 27.05 | 5.62 | | 198.01 | 196.69 | 193.44 | 192.87 | 172 12 |
| 2 | Banks(6) | 228.39 | -0.6 | 36.41 | 5.69 | 3.51 | 229.81 | 228.75 | 224.23 | 221.65 | 207.12 |
| 3 | Discount Houses (10] | 245.17 | _ | 20.71 | 8.31 | | 245.17 | 244.93 | 245.60 | 246.96 | 711.59 |
| ã I | Hire Purchase (5] | 183.65 | -2.2 | 18.25 | 5.18 | 7.10 | 187.85 | 182.83 | 182.83 | 182.37 | 154.61 |
| 3 l | Insurance (Life) (10) | 168.67 | +0.1 | | 6.23 | | 168.59 | 163.05 | 161.40 | 160.78 | 131.97 |
| 6 | Insurance (Composite) (9) | 130.39 | -0.8 | - | 7.45 | | 131.47 | 130.83 | 128.97 | 129.34 | 121.01 |
| 57 | Insurance Brokers (10) | 290.85 | -0.2 | 16,98 | 6.74 | 8.46 | 291.51 | 290.67 | 287.87 | 288,81 | 309.96 |
| 58 | Merchant Banks (14) | 101.79 | +0.2 | — . | 5.85 | _ | 101.55 | 99.70 | 98.51 | 98.34 | 80.95 |
| 9 | Property (44) | 356.04 | -0.9 | 3.70 | 3.04 | 38.69 | 359.22 | 360.0I | 351.20 | 351.05 | 291.82 |
| 70 | Miscellaneous (9) | 128.70 | -0.7 | 16.14 | 7.09 | 8.13 | 129.57 | 128.99 | 128.24 | 127.90 | 113.47 |
| 7 | Investment Trusts (109) | 218.23 | +0.2 | | 5.67 | _ | 217.84 | 213.18 | 212.54 | 211.40 | 212.5 |
| 31 | Mining Finance 141 | 197.57 | -0.4 | 11,67 | 4.47 | 10.41 | 198.44 | 198.88 | 193.58 | 193.05 | 129.29 |
| 91_] | | 395.00 | -0.2 | 12.96 | 6.67 | 9.36 | 395.80 | 389.38 | 386.73 | 379.13 | 323.80 |
| 99 | ALL-SHARE INDEX(750) | 251,70 | -0.5 | | 6.33 | | 252.95 | 252 92 | 240 (2 | 247.63 | 2010 |

| | FIXED INT | FIXED (NTEREST VIELDS British Gorl. Av. Gross Red. | | | | | Thurs., Jan. 31 | Wed, Jan. 30 | | Approx.) | | | | |
|-------------|--------------------|--|----------------------|------------------|------------------------------|--------------------|-----------------------|--------------------|--------------------|-------------------|-------------------------|-------------------------|-------------------|-------------------------|
| _ | British Government | Thurs., Jan. 31 | Day's change % | xd ad]. today | . xd adj. 1980 to date | 123 | Low Coupous | | (ears (ears | | 12.18 12.18 12.18 | 12.0 12.0 12.0 | | 10.36 12.10 12.90 |
| _ 1 2 | Under 5 years | 101.00 105.16 | -0.43 -0.59 | - | 0.68 | 5 | Mediam Coupons | 15 y | /62/5 /62/5 | | 14.40 13.81 13.72 | 14.28 13,71 13.62 | Į | 13.55 13.56 13.56 |
| 3 | Over 15 years | 111.75 | -0.59 | - | 0,42 | 7 B | High Coupons | 5 y 15 y | 2163 2163 | = | 14.87 14.30 | 14.66 | | 13.58 14.10 |
| 4 5 | All stocks | 131,69 105.85 | -0.72 -0.53 | = | 0.86 | 10 | Irredeemat | | ears | 1 | 14.00 11.22 | 13.9 | | 14.09 |
| | | | | Thurs., J | vieid | Wed. Jan. 30 | Tues. Jan. 66 | Mon. Jan. 28 | Fri. Jan. 25 | Thur Jan 24 | . Ja | n. J | 186. 27. 13 | Vear ago (approx) |
| 10 | 6 20-yr. Red. Deb | & Loar | 15 (15) | 61.93 | 14,25 | 61.1 | 61.02 | 81.04 | 50,90 | 50.9 | 4 50 | .88 50 | 1.87 | 63,06 |

Investment Trust Prefs. (15) 48.12 14.00 48.43 48.43 47.88 47.96 47.98 47.28 47.61

Comi. and Indl. Prefs. (20) 61.94 14.45 62.27 62.21 62.02 62.08 62.01 62.01 81.95

ACTIVE STOCKS

| | | 210 | | | | |
|----------------|-----------|-------|---------|--------|---------|---------|
| | Denomina- | | Closing | Change | 1979-90 | 1979-80 |
| Stock | tion | marks | | on day | high |) ow - |
| Beecham | 25p | 11 | 123 | - 7 | 189 | 114 |
| ons. Gold Fie | lds 25p | 8 | 470 | + 2 | 482 | 178 |
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| lesua Price p‡ | Amount Peld Up | Renuno. Date | 197 High | 9/80 Low | Stock | Price Price | +-01 | Olv. P. Or Amount | Times | Orosa | Ratio |
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FIXED INTEREST STOCKS

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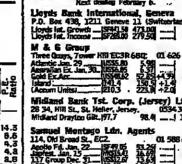
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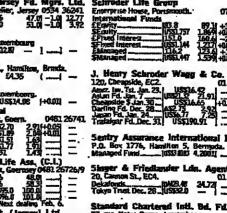
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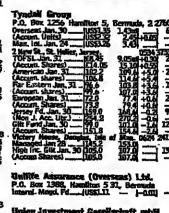




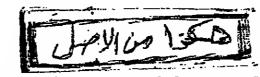
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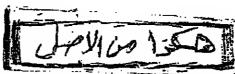






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This service is arolimbia to every Company each in on Stock Exchanges throughout the United Kingdom for a fee of £500 per arount for each security REGIONAL MARKETS

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Thatcher denial on telephone tapping

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER and Mr. William Whitelaw, the Home Secretary, gave firm assurances in the House of Commons yesterday that no uneuthorised telephone tapping was heing carried out hy the

security services or police.

They faced a barrage of questions from MPs after a report in the New Statesman alleged that illegal surveillance operations were being conducted from a Post Office building in Ebury Bridge Road, London. The report said thet com-

puterised equipment capable of tapping 1,000 telephone lines aimultaneously was heing used. Neither Mrs. Thatcher nor Mr. Whitelew could comment on details of the report.

But the Prime Minister declared: "There is effective political control of the security services. There is also effective ministerial control of telephone interceptions."

Mr. Whitelaw, responding to demands for a full inquiry and legislation to safeguard individual rights, told MPs that be would be making a Commons

statement soon-The Home Office was currently studying issues raised in the case of Mr. James Malone,

a Surrey antique dealer, Mr. Malooe made an unsuc cessful High Conrt attempt last year to force the Metropolitan Police to justify its legal right

to tap telephones.

But Mr. Whitelaw vehemently denied yesterday that any surveillance was being carried out except on the authority of individual warrants signed by bimself.

The interception of postal and telephone communications was a vital weapon in combating serious crime such as drug smuggling and terrorism, he sald. It was carried out by the Post Office on behalf of the police, Customs and Excise and the security services.

Mr. Whitelaw stressed that Mugabe, in a move apparently there bad been no change in designed to lay the foundations procedures end that he exer-clsed his responsibility "per-sonally and with great care." John Lloyd writes: The Post Office would not confirm that 93 Ebury Bridge Road, in Chelsea, was the national centre for the interception of

however, dispelled the common belief that all authorisations pragmatic than Mr. Mugabe. must be giveo by the Home Secretary. Its statement said tbat "every case (of tapping) has to be personally approved by a Secretary of State." The Home Office confirmed that authorisation for a tap could be given by any Secretary of State if the Home Secretary was abroad or ill.

In a radio interview, Mr. Merlyn Rees, the former Home Secretary, said that "every phone tap comes, not just nominally to the Home Secretary, but firmly to the Home Secretary." He said that taps were made in cascs of major crimea, terrorism and aerious subversion. The number of taps he had authorised in a year was thousands." "not in the

Mr Rees said, however, that it was now time that a major report was undertaken Mr. Brian Stanley, the general secretary of the Post Office Engineering Union, also called

for an immediaet inquiry

"Such an inquiry might be conducted by three Privy Councillors and should result in as full e public report as ia consistent with proper security considerationa. this inquiry might well establish that the situation hes changed signifi-cently since the Birkett Report of 23 years ago, and it would establish that Post Office engineers are not involved." Parliament, Page 12; Men and Metters, Page 18

Continued from Page 1

Rough diamond

a hedge aginst falling values of paper money. By increasing the price levels at the higher end of the market, the selling organisa-tion is underlining the contrast with prices for smaller

diamonds, which retail in jewellery at anything from £100 to £1,500.

At the highest end of the world market as much as £22,000 might ha asked for a one-carat stone of the very rare "D", flawless quelity.

Despite the price increases since 1978, the value of rough diamonds sold by the organisation to the market last year increased only slightly to e record -2.59hn (£1.18bn) from \$2.55bn in 1978, suggesting that fewer diamonds were sold and also reflecting the fall in the value of the dollar.

TUC warns Ministers Callaghan of social unrest risk

BY CHRISTIAN TYLER, LABOUR EDITOR

social unrest if the Government did not quickly intervene to pre-vent rapid rundown of the steel and coal industries, the TUC warned Ministers last night. Senior members of the Cabl-net, including the Chancellor and the Secretaries for Industry

and Employment, met e delegation of TUC leaders from the nationalised industries against e hackground of mounting pro-tests in Wales, and the fear of some union general secretaries that the country might drift into a General Strike.

Mr. Len Murray, TUC general secretary, axid afterwards that he had tried to impress on the Ministers that the situation could "get out of control" if the timetable for further steel plant cloaures was not greatly

relaxed.
"We tried to give them a sense of the outrage that is felt. It has not been whipped up or stirred up in any way. You only have to look at South Wales to

Ministers' answers had been anything but clear, and very little bad come from the meet-

ing.
The TUC proposed to put three questions to the Government io writing, concerning BSC's closure timetabla, availability of EEC aid and the subsidy of coking coal. If the answers abowed there to be no change of mind, then "we are in for a very rough time," Mr.

industrial action in South Wales from March 10 some kind of

Although the talks ranged with tover Government policy as a alised whole, it focused on TUC demanda for a deferred timetable of BSC closures to mitigate the social consequences for large communities; more active inves-EEC aid to steel and coal; and a subsidy for coking coal that would prevent BSC going ehroad for more and cheaper supplies

next year. Ministers appeared adamant that BSC'a closure timetable was a matter for the Corporation. while recognising the need for full consultation with the

They rejected the TUC's charge that the Government had not been vigorous enough in claiming social grants from the EEC, and said that any subsidy of coking coal would heve to he found by the Netional Coal Board from within the cash limit already laid down.

Sir Geoffrey Howe, Chancellor, stressed that Government recognised its social responsibility and was already preparing "remedial measures" to cushion communities the Government's policy toward the nationalised industries was ties hit by cuts.

Asked about the threat of industrial action from South Wales, he said: "We bope that

TUC would play in that re-aponse, Mr. Murray refused to don't do anything for national subsidy of coking coal.

FACED serious speculate.

wealth, national prosperity or st if the Government

With the threat of prolonged job security, whether in Wales ckly intervene to prerundown of the steel from March 10 some kind of The meeting bad produced a conclusion to the present discus-sions can be expected by the end of this month. better understanding of each side's views, and he boped there could be further meetings, as with the chairmen of nationalised industries, to discuss

specific issues. The Chancellor repeatedly emphasised that Government policy was designed to make the steel industry healthy and competitive in the long term.
Continued auhsidies were not

the long-term interest of the industry or the economy as a whole, and taxpayers' money should be released as early as possible for other purposes. He was strongly supported by

Sir Keith Joseph, the Industry Secretary, who said plainly that the Government would not intervene in BSC's plans to shed 50,000 jobs by August. That was the BSC's responsibility alone.

Asked ebout the coking coal subsidy of £18m for which the miners are looking to stave off further redundancies, Mr. John Moore, Minister responsible for coal, said that the higher price of oil gave the Coal Board more beadroom within which to find

its own subsidy for the prodoct. The Chancellor declared that part of a seamless web of

reality. The next mova from the TUC Murray said. Wales, he said: "We bope that wil come when it has beard the On what form any reaction further industrial action does answer to its three questions on would take, and what part the not take place.

Wales, he said: "We bope that wil come when it has beard the answer to its three questions on BSC's closure timetable, avail-

Smith's advice: back Nkomo

BY TONY HAWKINS IN SALISBURY

Rhodesian Prime Minister, Marxism. yesterday came out publicly in support of Mr. Joshua Nkomo, leader of the Patriotic Front, and against bis rival, Mr. Robert designed to lay the foundations of a moderate coslition Govern-ment after this month's

His advice to black voters, be said, was to avoid both guerrilla parties, but "if you have to choose between them, then Nkomo is the better bet." In spite of his role in the war, The Post Office statement, the veteran nationalist leader is

> comes amid growing indications talks who bad supported that his ally in the "internal Britain's settlement plan. settilement" government, Bishop Abel Muzorewa, is

His comments were promptly attacked by a spokesmen for Mr. Nkomo, who said that the

Patriotic Front leader did not

want Mr. Smith's backing. Mr. Smith admitted that a straight choice between Mr. Nkomo, whose guerrillas were responsible for the shooting down of two civilian Viscount airliners during the war, and Mr. Mugabe might seem dis-

tasteful to some people. But the better choice was Mr. Nkomo, be said, going on to attack his former colleagues in tha Salisbury Government dele-Mr. Smith's intervention gation at the Lancaster House

He bad warned them what whites." Bishop Abel Muzorewa, is would bappen "but they losing support to Mr. Nkomo's laughed at me" Now they were Patriotic Front and Mr.
Mugabe's Zimbahwe African
National Union (ZANU).

Speaking to a group of some

The Rhodesian Front, led by

75 white farmers in south-west Mr. Smith, seems certain to bold Rhodesia, the former Premier all 20 white seats in the 100-said that employers should tell member parliament. Observers

MR. IAN SMITH, the former their workers to turn away from believe Mr. Nkomo could secure 20 or more of the 80 black seats. While ZANU is generally expected to emerge as the largest single black party, Bishop Muzorewa, the Rev. Ndabaningi Sithole and Mr. Jamea Chikerema may be able to win sufficient seats to help

Mr. Nkomo form a coalition.
However, Mr. Smith's endorsement is bardly likely to enthral
Mr. Nkomo, and his remarks
bave also angered the United
African National Council of Bishop Muzorewa.

Mr. Ernest Bulle, the party's second vice-president, said that second vice-president, said that terial meetings will be necessary the white leader was being before the White Paper can be deviced." He was deviced and further Ministerial meetings will be necessary before the White Paper can be deviced. devious." He added that it was time Mr. Smith stood aside for more competent and respected

In a Salisbury township a petrol bomb was thrown into the home of a ZANU party official, Mr. Pedzisayi Chikerema He was away at the time of the attack but his daughter was seriously burned. CBI finds Rhodesia a tough

market, Page 6

Threat to arms control talks

BY PAUL LENDVAL IN VIENNA

NATO governments yesterday Western warned that the Soviet interven-tion in Afghanistan threatened the 19-nation East-West negotiations on arms controls.

The general gloom at the 20th round of the Vienna talks on Mutual and Balanced Force Reductions was deepened by the Warsaw Pact's sharp eriticism of the latest NATO proposals for troop reductions.

Speaking for the West, Ambassador Edouard Molitor of Luxembourg said thet "eveots elsewhere"—meaning Afghaoistan—" diminished the level of mutual confidence which is vital to progress in any arms control negotiations." NATO could not be blind, be added, to the fact that "those events have cast their shadow

over the detente process." The spokesman for the East, Ambassador Tadeusz Strulak of Poland, said that the NATO proposals submitted on December 20 were "devoid of any real significance . . . a conveoient excuse for covering

Western unwillingness reduce any armaments." 13,000 and 30,000 troops respectively. The West also proposed e system of advance notice of troop movements and other military activities.

Significantly, the NATO proposal ignored the Soviet unilateral withdrawal of 20,000 troops and 1,000 tanks from East Germany by October this year. Ambassador Molitor repeated that the Eastern Bloc manpower exceeded NATO forces in the reduction area by more than 150,000. The Polish diplomat said the

deployment of new medium-range missiles in Western Europe would directly contra-dict the aim of reducing troops and arms in central Europe. He added that the indefinite post-ponement of Salt II ratification in the U.S. Senate did not belp the atmosphere at the Vienna, at any time since the full-scale

Press conference later tried to tone down the sharp comments

in his prepared statement and atressed that the Warsaw Pact had not flatly rejected the The NATO proposals called had not flatly rejected the for U.S. Soviet reductions of latest NATO proposal but was still "studying" it.

He also pointed out that
events in Afghanistan had bad

no influence on the troop-cut talks and reaffirmed that the talks were "continuing norm-

regarded these statements as proof that the Eastern side was still seeking to project the impression of a real interest progress at the troop-cut

Both the East and the West have expressed willingness to continue the search for an agreement, but Western observers see little hope for

breaking the deadlock.
"The fact alone that the talks are still going on provides a ray of bope, but the general

Some Western diplomats

Ambassador Strulak at his of 1973, one participant said.

Press conference later tried to The crisis in Afghanistan,

Continued from Page 1

Edwardes' warning to unions

However, as the impact grows
"there will he less money in the kitty. The steel strikes puts us in even less of a position to change the wage offer. But as to whether another four weeks of strike will bring BL to an end, that is very doubtful." The pay ballot is not the only

few days the findings are expected to be announced of the AUEW's internal inquiry into the dismissal of Mr. Derek Rohinson, the former Longbridge convenor, who despite bis sacking was re-elected as cheirman of the unofficial Leyland Shop Stewards Committee.

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In the dismissal of Mr. Derek Rohinson, the former Longbridge convenor, who despite only 4 per cent of working days were free of internal disputes w

unions' stand—"if lots abatain we would take it as a vota for management."

Asked whether BL could survive an extended steel atrike, Sir Micbael said the company had "reasonable" atoeks and that it was not faced with an immedite prospect of lay-offa. However, as the impact grows

Breaking BL. In the next that 87 per cent more man hours were lost during his tenure compared with a similar period under his predecessor, "We got to the stage where only 4 per cent of working days were free of internal disputes and sanctions." He listed 523 disputes and the production loss.

he was unfairly dismissed. Sir Robinson.

Michael said yesterday, BL "Since he has gone, that "would need remarkable new figure (of days free of internal evidence to emerge" hefore it disputes) has gone from 4 per would consider reinstating him. cent to 89 per cent," said Sir He attacked Mr. Robinson's Michael.

attack on EEC delays

By Richard Evans, Lobby Editor

MINISTERS now accept pri-vately that the Government could face severe political and ecocomic difficulties because of the delay in recouping a sub-stantial slice of the UK's budget contribution to the European Community.

Opposition leaders moved immediately yesterday to exploit the Prime Minister's failure to achieve the hoped for special summit next month to settle British demands.

Mrs. Thatcher's claim in the Commons that the Community was "moving towards our posi-tion" was greeted with derisive laughter by the Opposition and Mr. Callaghan repeatedly challenged her to admit she bad retreated since the Duhlin summit when "broad balance" in Britain's contribution was demanded.

The view among some Ministers as well as Opposition leaders following tha talks be-tween Mrs. Thatcher and Sgr. Cossiga, Italian president of the Enropean Council, was that little apparent progress is being made in Britain's campaign to reach a firm settlement before the start of the next financial

As ber Labour opponents pointed out failure would not only be a bumiliating political reverse but would put edded pressure on the Cabinet to achieve greater public expendi-ture cuts, in 1980-81. The Cabinet's problem is that

any postponement of a decision on the budget contribution would mean that an EEC rebate could not be included in the White Paper due in March on the further round of public expenditure cuts next year.

Mrs. Thatcher bas confirmed that further cuts of £2bn are being sought but that this includes the £1bn refund, or a substantial portion of it.

The Cabinet spent three hours yesterday discussing the public expenditure cuts and the indications were that, although substantial progress was made on series of departmental options, there is a continuing rearguard action against Treasury action demands.

The review has still not been completed and further Minis-Meanwhile Miinsters remain

ontwardly optimistic that success wil be achieved at the March EEC summit.

Parliament, Page 12

Weather

FEBRUARY FORECAST Very cold et first. Widespread snow, beavy in places. Mild rainy spells likely later. UK TODAY

Cold, dry with sunny intervals.

London, S.E. England, Midlands, Cent. N. England, S.W. Scotland, N. Ireland

Mainly dry. Bright intervals.
Cold. Max. 4C (39F).
S.W. England
Mainly dry. Bright spells.
Rain or snow later. Max. 7C

(45F). E. Coast, Wales, N.W. England, N.E. England, Edinburgh, Aberdeen areas

Wintry showers dying out. Bright spells later. Cold. Max. 4C (39F). Weekend onflook: Mostly dry. Rain or snow in Wales and S. England. Cold.

WORLDWIDE

THE LEX COLUMN

The next step for the clearers

February brings the clearing bank results season—Lloyds will kick off, on the 22nd—and as usual the figures are preceded by a stream of fat brokers' circulars. By this time of year Index fell 4.3 to 453.3 the analysts are pretty close in their estimates of the results for the financial year just ended. But whether the clearers will show higher or lower profits for 1980 is a subject on which opin-ion is still year, much divided ion is still very much divided. Last month clearing hank share prices showed noticeable relative weakness, probably as an inevitable reaction to the burst of strength late last year. During last autumn investora

were positive factors, and the banks sector index rose to around 0.97 relative to the F.T.-Actuaries All-Share Index. But in the past four years or so, the banks have been a sell when the index bas topped a relative value of 0.95, and a buy at under 0.80. With much talk in the air of lower money rates and the impact of a recession on loan demand the index

bas faded to a relative position

of about 0.91.

realised that interest rates were

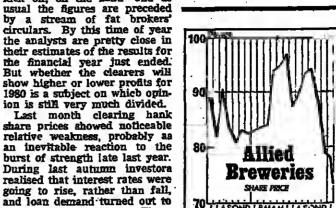
be unexpectedly strong. These

At least the past few months of juicy interest rates will lead to the announcement of some humper 1979 figures. Last summer there was an expectation of an abrupt end to progress after the overall 70 per cent jump in pre-tax profits reported by the Big Four in the first six months. In fact, analysts on everage now seem to anticipate an improvement of almost a quarter in the second six months, over the excellent figures for the same period of 1978, and that corresponds to an aggregate gain of e little over 40 per cent for the Big

Progress made by the clearers varied sharply between individual banks in the first six months, ranging from growth of 56 per cent by Midland to an advance of just over 100 per cent by NatWest, Typical analysts' estimates suggest that the four will come much more into line in July-December, though 15 Hand will be some-what below the others because of the impact of disposals of lts

Four for the full year 1979.

insurance broking interests and the Standard Chartered stake.
There are one or two nervous thoughts that the clearers might base rate and the retail deposit take advantage of good results rate. Perhaps the most bullish tuck something away for harder times. They might be and Cruickshank who expect to sation for being tled into tempted, for instance, to too up see a big rise in charges and listed shares in the three wetheir general provisions ahead an improvement in international before the OFT reports, at



with an eya on potential trouble on the international lending front. It could also be a year for making absolutely sure that pension schemes are well topped np. The main anxieties, however, concern 1980, and in par-ticular the potential impact of a set of bumper results on the

1979

Last July the clearers conceded a 20 per cent pay settlement, and they are now facing e claim for a 25 per cent rise from April 1. Even in the more likely event of a settle-ment in the region of, say. 15 per cent being negotiated, pay will have gone up by almost 40 per cent within nine months. It is the prospect that clearing bank profits will be crunched between rapidly rising costs and declining interest income, as money rates fall later in the year, that explains the modest rating of the shares in tha market. They are typically on fully taxed 1979 p/e ratios of little more than 4 (on actual tax, only 3) and yields are likely to improve to between 6 per cent (Barclays) and 8 per cent (Midland).

One view is that clearing bank profits could fall back by 10 per cent or so this year. The size of any setback will largely depend on the extent to which base rates decline, though it should also be remembered that there are some built-in stabilisers: hire purchase subsidiaries are countercyclical in this respect, and there is scope for widening the gap between Mem is taken by brokers rame of a squeeze on the corporate margins. On an average base time when the approach of sector (though specific bad rate of 13 per cent they suggest Budget might make brew debts will still be very low) and that pre-tax profits could in-shares vulnerable.

but they project en average base rate of 9 per cent in 1981. and a slight profits setback, the epproximate formula being that each point of base rate make: a difference of 5 per ceot to

Allied/Vaux

Vaux has been expanding its business rather faster than i business rather faster than I bas been generating cash, an even a fixed asset revaluetlor could not disguise a certain strain in the last balance sheet In the year to September ne debt rose from £10.1m t £15.4m, and Vaux must hav jumped at the chance of gettioned of its Scottish tied estate rid of its Scottish tied estatewhich is making hardly an profit after interest and taxfor £20.9m, just about it revalued book worth. The company is now hale to pey off it overdraft and fund its growt in Yorksbire and Lancashire without having to worry abou what had become an unsati: factory operation in Scotland The threat of a rights issu recedes, and the abares bounde

up yesterday by 14p to 150p.

The purchaser, ao long as the Office of Fair Trading gives the deal a clear run, is Allie Breweries, which placed 29.6 shares in the market yesterds Allied's sbare of the Scottis beer market will rise from 6 i 10 per cent, which should mak it big enough to attack Scottis and Newcastle and Bass, which bave three quarters of the market between them. The large tied estate will, to some extent, protect Allied from the cut throat margins of the fre trade in which it operates; present, and will enable it i increase production at the nuder-used Alioa brewery, wire substantial marginal consavings. Whether Allied savings. Whether Allied English beer business is good enough shape to fre management for fornys ovthe border is another matter. Allied will certainly take i Scottish adventure serious giving particular support to t tish and Newcastle, which I recently made great strides w its lagers. The Allied sha placed yesterday amount to per cent of present issued ca tal, but earnings dilution shot

be negligible
The placing price, a fract over 71p against an early pr of 77p, does not suggest mi enthusiasm for Allied shar But the discount is a comm

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